

AGENDA

BOARD OF TRUSTEES MEETING

Thursday, December 15, 2005, 10:00 a.m.
Cabela's, 2502 W. Grand Terrace Parkway, Lehi, Utah

Call to Order	Dan McConkie
Review of Board Members Absent	
Approval of November 10 Meeting Minutes	

ITEM INFORMATION

10:00 Recess for Public Hearing on 2006 UCIP Budgets

Reconvene

1	Annual Membership Meeting Review	Lester Nixon
2	Discussion of Building Issues	Kent Sundberg
3	Loss Control Manager's Report	Mark Brady
4	Chief Executive Officer's Report	Lester Nixon

ACTION

5	Elect Officers	Dan McConkie
6	Set Date, Time and Place of Regular Meetings for 2006	
	Approve Reinsurance Arrangements for 2006	
7	A. Liability B. Workers' Compensation C. Property D. Crime	Lester Nixon
8	Approve Changes to the 2006 Coverage Agreement	Ken Bischoff
9	Approve 2006 Multiline Risk Management Program	Mark Brady
10	Approve 2006 Workers Compensation Loss Control Program	
11	Review and Approve Contracts for 2006	Lester Nixon
12	Adopt Amended 2006 Budgets	
13	Actions Regarding Building	Kent Sundberg
14	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	Dan McConkie
15	Action on Litigation Matters	Kent Sundberg
16	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	
17	Ratification and Approval of Payments and Credit Card Transactions	Gene Roundy

Other Business

Next Meeting



Utah Counties Insurance Pool
Serving Counties Since 1992

BOARD OF TRUSTEES MEETING

MINUTES

December 15, 2005, 10:00 a.m.
Cabela's, Lehi, UT

BOARD MEMBERS PRESENT

Dan McConkie, *President*, Davis County Commissioner
Lynn Lemon, *Vice President*, Cache County Executive
Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner
Steve Baker, Davis County Personnel Director
Ken Bischoff, Weber County Commissioner
Kay Blackwell, Piute County Commissioner
Jerry Grover, Utah County Commissioner
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

BOARD MEMBERS ABSENT

Jim Eardley, Washington County Commissioner
Ira Hatch, Emery County Commissioner
Ed Phillips, Millard County Sheriff

OTHERS PRESENT

Lester Nixon, Chief Executive Officer
Mark Brady, Loss Control Manager
Sonya White, Manager of Administration
Korby Siggard, Claims Manager
Trudy Stauffer, Alternative Service Concepts Claims Adjuster

Call to Order

Dan McConkie called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 10:00 a.m. on December 15, 2005 and welcomed those in attendance.

Recess for Public Hearing on 2006 UCIP Budgets

Dan McConkie called for a recess of the Board of Trustees meeting for a scheduled Public Hearing to review the Utah Counties Insurance Pool's 2006 Budgets; Multiline (see attachment #1), Workers' Compensation (see attachment #2) and Administration (see attachment #3). No one, other than Members of the Board and Pool staff, were in attendance at the Public Hearing. There were no questions or concerns from the Board. Lynn Lemon made a motion to close the public hearing on the 2006 UCIP Budgets. Ken Bischoff seconded the motion, which passed unanimously.

Review of Board Members Absent

Jim Eardley requested to be excused from this meeting due to a prior meeting commitment. Ira Hatch requested to be excused from this meeting due to a prior commitment. Ed Phillip requested to be excused from this meeting due to a death in his family. Lynn Lemon made a motion to excuse Jim Eardley, Ira Hatch and Ed Phillips from this meeting. Steve Wall seconded the motion, which passed unanimously.

Approval of November 10 Meeting Minutes

The minutes of the Board of Trustees meeting held November 10, 2005 were previously sent to the Board of Trustees for review. Steve Wall made a motion to approve the November 10 meeting minutes as written. Gene Roundy seconded the motion, which passed unanimously.

Annual Membership Meeting Review

Lester Nixon reviewed the survey results from the Annual Membership Meeting, held December 1, 2005, with the Board (see attachment #4). There were approximately 57 attendees, of which 31 have responded to the survey up to now. The overall impression of the meeting's topics and speakers were very *good to excellent*. The majority of attendees want to continue to have the meeting at Thanksgiving Point. Very good comments and suggestions were provided by respondents for staff to use in the planning of next year's meeting.

Discussion of Building Issues

The Board of Trustees received a memorandum from Karl Hendrickson, Counsel for the Utah Association of Counties (UAC), during UAC's presentation at the Board's November 10 meeting. The memorandum included a calculation of building equity for both UAC and UCIP (see attachment #5). Kent Sundberg reported that, during the November 10 meeting, the Board directed Lester Nixon to research and confirm the equity calculation and provide the Board with rental space options. As recorded in Board meeting minutes, Lester reported that Trustees had definitely expected to receive equity in the building as indicated in discussions starting in 1999 with Brent Gardner, UAC Executive Director (see attachment #6). In 2002, when UAC and UCIP were considering terminating the administrative agreement between the two parties, both UAC and UCIP commissioned audits of past expenditures from the administrative payments made by UCIP to UAC. For the most part, the two audit reports agree (see attachment #7). Based on the report of the Certified Public Accounting firm, Robison Hill, commissioned by UAC, Lester prepared a spreadsheet detailing UCIP's equity (see attachment #8). The report shows a total of principal and interest paid by UCIP of \$566,604. Total principal paid during the years 1999 through 2005, by UCIP, was \$268,121. For UAC to buyout UCIP's interest in the building, the amount of equity offered to the Board by UAC for consideration is \$143,658. Dan McConkie explained that in his and Lester's conversation with Camille Cain, UAC President, she said that the interest/equity offer is negotiable. The impression was given by Karl and the UAC Executive Committee, in their presentation to the Board in November, that it is in the best interest of both parties for UAC to buyout UCIP's interest in the building and for UCIP to relocate. Jerry Grover inquired about the initial building agreement that was drafted by Bill Peters, and then drafted again by Ballard Spahr. That agreement, Kent explained, was never adopted. With UAC's option(s) on the table, that agreement is obsolete. Lester recommended that a counter offer be made to UAC for an equity buyout and new office space be sought for UCIP.

Lester narrowed his search for leased office space down to two buildings and provided the Board with detailed information. Most agencies are requiring a five-year sublease but the two options provided will allow for a two or three year sublease. The Class A space located at 6900 South 900 East is readily available, already built out, has easy access to I-215 and is close to the UAC offices (see attachment #8). The Class A space located at 10600 South 800 West is not yet built out but will be available in approximately six months (see attachment #9). Neither space is large enough to hold Board meetings so they would need to be held offsite. Driving distance, to both buildings, is closer for all staff except for Brody Parker who lives in Layton. UCIP will save approximately \$40,000 a year in rent and utilities. Some equipment and office furnishings that were jointly purchased by UAC and UCIP will stay at the UAC building and new will need to be purchased by UCIP for the new office space.

Loss Control Manager's Report

Mark Brady provided the Board with samples of the new quarterly bulletins that will be sent to members via email. The *Personnel Advisor* will be sent to all member county personnel directors (see attachment #10). The *Risk Management Update* will be sent to all member county insurance coordinators and commissioners/council members (see attachment #11). *Law Enforcement Liability* will be sent to all member county sheriffs (see attachment #12). These newsletters will provide members with reports, current issues, legal updates, etc.

Mark has completed his review process of the risk management program and the workers' compensation loss control program in each county. Mark provided the Board with a spreadsheet showing those counties qualifying and their calculated premium credit (see attachment #13). Only five counties did not qualify for a credit under the risk management program. Participation in the first year of the workers' compensation loss control program was less than anticipated; five counties qualified for a credit. One of the prerequisites was to conduct an annual safety assessment of property, which is a huge time commitment. Premium credits will be awarded at the April 2006 Insurance Coordinators Workshop. With the premium credit Cache County receives each year, they provide a safety-related award to their employees. This year, employees were given a fanny pack filled with first aid supplies (valued at \$31.00). This type of award is a great sample of an incentive program for employees; Mark showed the fanny pack to the Board.

The Facilities Management Conference is scheduled for February 23 and the Planning and Zoning Conference is scheduled for April 6; both in Utah County.

Chief Executive Officer's Report

The Board received a list of 2006 Board Training Opportunities (see attachment #14): AGRIP Spring Conference, March 6-8, Tampa; AGRIP Pooling Track (PRIMA), June 12-14, Las Vegas; and AGRIP Governance Conference, October 9-11, New York.

The Litigation Management Committee met yesterday, December 14, at the UCIP Building.

Lester Nixon explained that a Workers' Compensation quote was presented to Box Elder County. The Workers' Compensation Fund returned a quote 15% less than the Pool.

Lester conducted enrollment for the Employee Benefits Pool in Beaver and Juab Counties. Millard and Sevier Counties will be finalized tomorrow, December 16. Public Employees Health Program (PEHP) has agreed to a one percent savings for UCIP members and Opticare has agreed to provide vision coverage; UCIP will collect no commission or fees.

Lester explained that the Association of Conservation Districts has inquired if UCIP would be willing to provide coverage to the Districts of Utah. The cost for errors & omissions and general liability coverage would be approximately \$2,500 per District. There is minimal exposure but because the county has no control, these Districts would fall outside the UCIP policy; the Board would have to make an exception. The Board decided not to cover Conservation Districts. Gene Roundy asked, on a similar note, if public health and mental health districts could be covered under the Employee Benefits Pool. Lester said they could.

Lester reviewed the Workers' Compensation claims report with the Board (see attachment #15). The first spreadsheet summarizes all claims for 2005 to date. The second spreadsheet lists all claims for all years. Gross claims development through the first eleven months of 2005 is \$1,197,932, of which \$600,000 is for the fire chief killed in Juab County; UCIP's exposure is \$300,000. Excluding this loss, the 2005 experience continues to compare favorably with the experience of 2004. On the net premium of \$1,358,187 (of which \$1,245,005 would have been earned as of November 30), the loss ratio is 72%. Large claims will be reviewed in closed session.

Lester reviewed the Multiline claims report with the Board (see attachment #16). In the current multiline accident year, UCIP has incurred losses of \$2,034,052 (less the Box Elder recoverable of \$376,416) making net incurred to UCIP of \$1,657,636 through the first eleven months of the year. On an annual net premium of \$3,140,000 (of which \$2,878,333 would have been earned through November 30) the loss ratio is 57.6%. Large claims will be reviewed in closed session.

On behalf of the Board and staff, a plant was sent to Ed Phillips, whose brother passed away. On behalf of the Board and staff, a plant was sent to Arie Van De Graaff of UAC, whose father passed away.

Elect Officers

Pursuant to Article 6 of the Bylaws: *Officers shall be elected by and from among the Trustees, at the first Board meeting following each annual meeting of the Members.* Currently serving is Dan McConkie, President; Lynn Lemon, Vice-President; and Gene Roundy, Secretary-Treasurer. Steve Baker made a motion to re-elect the current officers to serve for the 2006 year. Kay Blackwell seconded the motion, which passed unanimously.

Set Date, Time and Place of Regular Meetings for 2006

Lester Nixon proposed the following meeting dates for 2006: February 16, April 18, June 2, August 17, October 19, November 16 and December 21. Conflicts were discussed. Steve Baker made a motion to set the dates, times and places, for the Utah Counties Insurance Pool Board of Trustees regular meetings for: February 16, 10:00 a.m. at the UCIP Building; April 18, 6:00 p.m. at the UCIP Building; June 2, 12:00 p.m. in Wasatch County; July 31, 6:00 p.m. in Iron County; October 13, 10:00 a.m. at the UCIP Building; November 16, 6:00 p.m. in Washington County; and December 14, 10:00 a.m. at the UCIP Building. Lynn Lemon seconded the motion, which passed unanimously.

Approve Reinsurance Arrangements for 2006

Lester Nixon reported the final numbers of the reinsurance arrangements to the Board for the 2006 policy year. The Liability reinsurance premium, through County Reinsurance Limited, will renew at \$464,768 (2005 premium \$545,242). The Workers' Compensation reinsurance premium, through County Reinsurance Limited, will renew at \$342,121 (2005 premium \$269,022). The Workers' Compensation premium increase is due to the growth in the Pool, increases in payroll and a 2004 death claim in Emery County is just hitting the Pool's loss history. Negotiations with Affiliated FM are final for a Property premium of \$504,249 (2005 premium with Lloyd's \$460,302). The Crime reinsurance premium, through Zurich, will renew at \$29,224 (2005 premium \$31,427). Lynn Lemon made a motion to ratify Lester Nixon's negotiations with the reinsurance carriers and approve the premium payments for the 2006 policy program. Kay Blackwell seconded the motion, which passed unanimously.

Approve Changes to the 2006 Coverage Agreement

Due to time limitations, Ken Bischoff reported that the Coverage Agreement Committee has not had an opportunity to meet. Ken asked Lester Nixon to review changes to the Coverage Agreement with the Board. Lester explained that the attorneys for County Reinsurance Limited (CRL) examined UCIP's 2005 Coverage Agreement and recommended changes (see attachment #17). Phil Bell, CRL Executive Director, and Lester have reviewed the changes and feel that they improve the UCIP document. Following the Board's review of the changes, Gene Roundy made a motion to approve the 2006 Coverage Agreement. Ken Bischoff seconded the motion, which passed unanimously.

Approve 2006 Multiline Risk Management Program

Mark Brady reviewed the 2006 Multiline Risk Management Program with the Board (see attachment #18). The Personnel Committee reviewed and offered input into the Program at their last two Committee meetings. A change to the language in Section 9.2 was discussed as follows: *The county may qualify for supplementary credit if ~~supplementary credit~~ the frequency and/or severity of county claims for 2006 is less than that of 2005 as determined by a calculation of the annual net-incurred as of number of reported claims and ~~net-incurred loss~~ by December 31 of each year.* Steve Wall made a motion to approve the 2006 Multiline Risk Management Program with the changes made to Section 9.2. Steve Baker seconded the motion, which passed unanimously. The Program is sent to each member insurance coordinator at the beginning of the policy period.

Approve 2006 Workers' Compensation Loss Control Program

Mark Brady reviewed the 2006 Workers' Compensation Loss Control Program with the Board (see attachment #19). The Personnel Committee reviewed and offered input into the Program at their last two Committee meetings. Changes were discussed as follows: Section 1.3 self-assessment safety inspection is moved to Section 2.7 and the new Section 1.3 recommends the appointment of a physician or medical treatment facility for initial employee injury assessment and treatment. Section 3.4 includes, as part of safe driving practices, the publishing of an auto-safety newsletter or safety bulletin. Section 4 has been updated to include additional recommendations on each of the policies and procedures listed, i.e., dealing with blood-borne pathogens, handling hazardous materials, respiratory protection and protective equipment. Jerry Grover advised Mark and Brody Parker that counties should be following *Title 19—First Responders* so that they are careful not to write a policy broader than OSHA. Section 5.6 is added to recommend that the road department have at least two employees certified in first aid/CPR. Section 6.2 is added as a supplemental credit if the frequency of claims for 2006 is less than that of 2005 as determined by the annual number of reported claims by December 31 of each year. Lynn Lemon made a motion to approve the 2006 Workers' Compensation Loss Control Program as presented. Steve Wall seconded the motion, which passed unanimously.

Review and Approve Contracts for 2006

Actuarial Services – By The Numbers Actuarial Consulting (BYNAC). Lester Nixon reported that the terms of the 2003 agreement with BYNAC continues for three consecutive annual renewals (see attachment #20). BYNAC will continue to provide actuarial services for an annual fee of \$8,500. Lester is pleased with the services Lisa Dennison and her staff are providing.

Workers' Compensation Third Party Claims Administration – Alternative Service Concepts (ASC). Lester recommended that the contract between ASC and UCIP be extended through 2006 (see attachment #21).

Multiline Claims Management System – Mountain View Software (MVS). Lester explained that the contract between MVS and UCIP may be finalized when it expires. The current contract is the bid document and MVS has no problems using that document as the contract.

Auditing and Accounting Compilations – Larson and Company. Lester explained that Larson and Company are only providing auditing services (financial statements are compiled in-house by Sonya White) and an engagement letter is signed annually. Lester priced auditing services last year and found that Larson and Company are still competitive. An RFP will be conducted for 2007 services.

Workers' Compensation Consulting Services – Pfeiffer Consulting Group. Lester explained that Steve Pfeiffer provides a needed service as a liaison between UCIP and the Labor Commission. Steve was instrumental in working with the Tax Commission to refund monies paid by UCIP for its Self-Insurers Tax. The annual fee for services is \$18,000 (see attachment #22).

Client Services Agreement – Marsh USA Risk and Insurance Services. Lester explained that Marsh places the property reinsurance for UCIP and an extension of the existing contract is recommended (see attachment #23).

Administrative Agreement – Public Employees Health Program (PEHP). Lester reviewed the agreement between PEHP and UCIP for administrative services with the Board (see attachment #24). PEHP will pay UCIP \$3.00 per enrolled member. Four Counties (Beaver, Juab, Millard and Sevier) and UCIP will be enrolled in the program beginning January 1, 2006. Lester is not pleased with the way PEHP is handling the set-up of the program. Lester and Dan McConkie have met with Linn Baker, PEHP Executive Director, and voiced their concerns.

Ken Bischoff made a motion to approve the contracts for 2006 as presented. Kay Blackwell seconded the motion, which passed unanimously.

Lester reported that the contract between the Utah Association of Counties (UAC) and UCIP expires December 31. The contract includes legislative tracking services and building administration. Lester attends the UAC Legislative Committee meetings. A minimal amount of tracking, required by the contract, was performed by UAC last session. It is beneficial for Lester to attend the Committee meetings but Dan McConkie explained that tracking services can be found for less than \$10,000. Lester feels that UCIP should continue some type of arrangement with UAC so that he is welcome at the meetings. Randy Smart, who worked at the Insurance Department, may be a good source for legislative tracking services. Gene Roundy made a motion authorizing Lester to use the budgeted Lobbying and Legislative Tracking monies for legislative services that he feels are most beneficial to the Pool. Steve Wall seconded the motion, which passed unanimously.

Adopt Amended 2006 Budgets

Lester Nixon reviewed proposed amendments to the 2006 Multiline Budget with the Board (see attachment #25). With the final premium credits calculated for the Risk Management Program, the budgeted amount of \$175,000 should be reduced to \$157,500. The Reinsurance premiums have been finalized, changing the budgeted amount of \$1,226,857 to \$998,241. County Reinsurance Limited has confirmed that UCIP has enough capital to premium ratio reserved that no additional costs will be required for 2006. Therefore, the budgeted amount of \$56,000 should be reduced to \$0. The Actuarial Analysis item should be \$8,500 instead of the budgeted \$4,000. It is proposed that the reduction of \$297,616 be budgeted to increase the loss fund (Losses).

Lester reviewed proposed amendments to the 2006 Workers' Compensation Budget with the Board (see attachment #25). With the final premium credits calculated for the Loss Control Program, the budgeted amount of \$75,000 should be reduced to \$20,000. The Reinsurance premiums have been finalized, changing the budgeted amount of \$270,000 to \$342,121. County Reinsurance Limited has confirmed that UCIP has enough capital to premium ratio reserved that no additional cost will be required for 2006

Capital costs. Therefore, the budgeted amount of \$30,000 should be reduced to \$0. The Actuarial Analysis item should be \$8,500 instead of the budgeted \$4,000. The Self-Insurer's Tax item should be reduced to \$70,000 from \$90,000. It is proposed that the reduction of \$32,879 be budgeted to increase the loss fund (Losses).

Steve Baker made a motion to approve the amendments to the 2006 Multiline and Workers' Compensation Budgets. Lynn Lemon seconded the motion, which passed unanimously.

Approve Tentative 2006 Employee Benefits Budget

Lester reviewed the tentative Employee Benefits Budget with the Board (see attachment #26). It is anticipated that approximately \$65,300 in revenue, minus expenses, can be used to reduce the feasibility study loan amount that was paid by the Multiline Pool. Kay Blackwell made a motion to approve the 2006 Employee Benefits Budget as presented. Steve Wall seconded the motion, which passed unanimously.

Actions Regarding Building

Based on Lester's recommendation, Kay Blackwell made a motion to make a counter offer to UAC for the equity buyout of the building and that new office space be sought for UCIP. Steve Wall seconded the motion and the motion was opened for discussion. Board Members were concerned that UAC will raise membership dues and hold UCIP responsible for moving out of the building. Lester explained that UAC intends to refinance the building's bonded indebtedness, which will decrease the annual repayment. The Board will discuss the amount of equity, address issues of refinancing and promissory provisions in their written counter offer to UAC in a closed session. The motion passed unanimously. The Board feels this decision to relocate will improve the relationship between UAC and UCIP.

Set Date and Time for Closed Meeting

Lynn Lemon made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for December 15, 2005 at 1:00 p.m. Steve Wall seconded the motion, which passed unanimously.

Ken Bischoff made a motion to conclude the closed meeting to discuss pending or reasonably imminent litigation on December 15, 2005 at 1:50 p.m. Kay Blackwell seconded the motion, which passed unanimously.

Action on Litigation Matters

Jerry Grover made a motion authorizing settlement of plaintiff attorney fee issues up to an amount of \$150,000 in the matter of UIN02088010. Gene Roundy seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Lynn Lemon made a motion to set the date and time of a closed meeting to discuss the character, professional competence, physical/mental health of an individual for December 15, 2005 at 1:55 p.m. Kay Blackwell seconded the motion, which passed unanimously.

Steve Wall made a motion to conclude the closed meeting to discuss the character, professional competence, physical/mental health of an individual on December 15, 2005 at 2:10 p.m. Kay Blackwell seconded the motion, which passed unanimously.

Actions Regarding Building

Kent Sundberg made a motion authorizing Lester Nixon, Chief Executive Officer, to prepare a counter offer to the Utah Association of Counties (UAC) Executive Committee concerning UCIP's equity in the building including all actions necessary. Steve Baker seconded the motion, which passed unanimously.

Ratification and Approval of Payments and Credit Card Transactions

Gene Roundy reviewed the payments made, payments to be made (see attachment #27) and credit card transactions with the Board. Gene Roundy made a motion to approve the payments made, payments to be made and credit card transactions. Ken Bischoff seconded the motion, which passed unanimously. Gene requested that a description be listed on credit card purchases that may be unclear. Dan McConkie directed the Audit Committee and staff to look at practices standards for travel.

Other Business

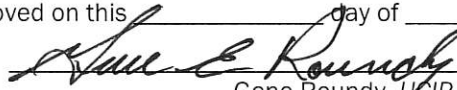
Lester Nixon reported that the Cache County Sheriff's Department is seeking CALEA Accreditation. Weber County is currently accredited and statistics show a direct correlation between CALEA and loss reduction. It is important that UCIP help the sheriffs to become accredited. Lester proposes that UCIP provide the funds for the initial fees of the program, approximately \$6,000, to be deducted from the Loss Control Budget.

As part of the property reinsurance coverage, Lester Nixon explained that UCIP has earthquake limits of \$25 million. Lester would like to obtain quotes for an earthquake study to see if the \$25 million limit is adequate. Additional reinsurance limits cost \$1500 per million. Lester will provide the Board with three options at the next meeting.

Dan McConkie requested that staff prepare an amendment to the *Board Travel Expenses* policy to include the Risk and Insurance Management Services (RIMS) annual conference as an option for Board Members to attend. The RIMS conference is the largest gathering of risk managers and is more technical than the PRIMA conference.

The next meeting of the Board of Trustees is scheduled for February 16 at 12:00 p.m.; location to be determined.

Approved on this _____ day of _____ 2006



Gene Roundy, UCIP Secretary-Treasurer

UTAH COUNTIES INSURANCE POOL

Multiline Budget 2006 Tentative

	2005 Budget	2006 Budget
REVENUE		
Premiums Written	4,176,336	4,181,677
Risk Management Program Credit	-156,550	-175,000
Investment Income	300,000	350,000
TOTAL REVENUE	4,319,786	4,356,677

LOSSES AND LOSS EXPENSES

Losses	2,397,344	2,209,567
Reinsurance	1,036,971	1,226,857
TOTAL LOSS EXPENSES	3,434,315	3,436,424

ADMINISTRATION EXPENSES

Accounting	6,700	2,000
Actuarial Analysis	4,000	4,000
Capitalization Costs - CRL	55,660	56,000
TOTAL ADMINISTRATION	66,360	62,000

TOTAL LOSSES AND EXPENSES	3,500,675	3,498,424
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TRANSFER TO ADMINISTRATION BUDGET	819,111	858,253
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EQUITY / RESERVES

Automobile	31,688	40,094
Building Debt Service	86,300	86,300
Building Repairs & Replacement	28,170	28,170
Capital (CRL)	205,245	261,245
TOTAL DESIGNATED RESERVES	351,403	415,809

UTAH COUNTIES INSURANCE POOL

Workers' Compensation Budget

2006 Tentative

	2005 Budget	2006 Budget
REVENUE		
Premiums Written	1,627,209	2,026,010
Loss Control Program Credit	0	-75,000
Investment Income	12,000	12,000
<u>TOTAL REVENUE</u>	<u>1,639,209</u>	<u>1,963,010</u>
 LOSSES AND LOSS EXPENSES		
Losses	975,511	1,162,932
Reinsurance	269,022	270,000
Third Party Administrator	150,000	150,000
<u>TOTAL LOSS EXPENSES</u>	<u>1,394,533</u>	<u>1,582,932</u>
 ADMINISTRATION EXPENSES		
Accounting	8,000	2,000
Actuarial Analysis	4,000	4,000
Capitalization Costs - CRL	27,287	30,000
Consultant	0	18,000
Self-Insurer's Bond	37,500	37,500
Self-Insurer's Tax	0	90,000
<u>TOTAL ADMINISTRATION</u>	<u>76,787</u>	<u>181,500</u>
 <u>TOTAL LOSSES AND EXPENSES</u>	 <u>1,471,320</u>	 <u>1,764,432</u>
 <u>TRANSFER TO ADMINISTRATION BUDGET</u>	 <u>167,889</u>	 <u>198,578</u>
 EQUITY / RESERVES		
Capital (CRL)	79,409	109,409
<u>TOTAL EQUITY</u>	<u>79,409</u>	<u>109,409</u>

UTAH COUNTIES INSURANCE POOL

Administration Budget

2006 Tentative

	2005 Budget	2006 Budget
TRANSFERS		
Multiline	819,111	858,253
Workers' Compensation	167,889	198,578
TOTAL TRANSFERS	987,000	1,056,831
ADMINISTRATION EXPENSES		
Automobile Expense	9,500	9,500
Automobile Reserve	25,000	25,000
Bank Charges	300	300
Board Expense	40,000	45,000
Building Lease Purchase	70,000	70,000
Building Maintenance & Repairs	25,000	10,000
Property Placement Fee	60,000	60,000
Copying Costs	1,200	3,000
Dues / Subscriptions	4,500	4,000
Exhibiting & Sponsorship	17,500	17,000
Fees & Licensing	1,200	1,000
Incentives	7,000	5,000
Information Technology	25,000	25,000
Land Use Hotline Program	25,000	25,000
Lobbying & Legislative Tracking	10,000	10,000
Loss Control / Training	40,000	40,000
Office Equipment	7,000	7,000
Office Insurance	5,116	5,600
Office Supplies	7,500	7,500
Postage	3,000	3,000
Printing	5,000	2,500
Professional Fees	22,661	25,000
Staff Expenses	35,000	35,000
Staff Salaries	367,485	395,532
Staff Retirement	69,630	94,651
Staff FICA	26,911	30,258
Staff Medical Insurance	70,496	95,490
Telephone	6,000	5,500
TOTAL ADMINISTRATION	987,000	1,056,831



Utah Counties Insurance Pool
Serving Counties Since 1992

BOARD OF TRUSTEES MEETING M I N U T E S

November 10, 2005, 7:00 p.m.
Painted Pony Restaurant, St. George, UT

BOARD MEMBERS PRESENT

Lynn Lemon, *Vice President*, Cache County Executive
Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner
Steve Baker, Davis County Personnel Director
Ken Bischoff, Weber County Commissioner
Kay Blackwell, Piute County Commissioner
Jim Eardley, Washington County Commissioner
Ira Hatch, Emery County Commissioner
Ed Phillips, Millard County Sheriff
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

BOARD MEMBERS ABSENT

Dan McConkie, *President*, Davis County Commissioner
Jerry Grover, Utah County Commissioner

MEMBERS PRESENT

Camille Cain, Weber County Commissioner
Bill Cox, Rich County Commissioner
Camille Moore, Garfield County Clerk-Auditor

OTHERS PRESENT

Lester Nixon, Chief Executive Officer
Mark Brady, Loss Control Manager
Sonya White, Manager of Administration
Karl Hendrickson, UAC General Council
Trudy Stauffer, Alternative Service Concepts Claims Adjuster

Call to Order

Following dinner, Lynn Lemon called the meeting of the Utah Counties Insurance Pool Board of Trustees to order at 8:00 p.m. on November 10, 2005 and welcomed those in attendance.

Review of Board Members Absent

Dan McConkie requested to be excused from this meeting due to his attendance at an out-of-state National Association of Counties meeting. Jerry Grover requested to be excused from this meeting due to a family commitment. Steve Wall made a motion to excuse Dan McConkie and Jerry Grover from this meeting. Ken Bischoff seconded the motion, which passed unanimously.

Approval of October 20 Meeting Minutes

The minutes of the Board of Trustees meeting held October 20, 2005 were previously sent to the Board of Trustees for review. Steve Wall recommended that paragraph five on page two under the Chief Executive Officer's Report read: *A reinsurance recoverable of \$376,416 will decrease the total incurred amount of \$630,000 listed for Box Elder County.* On page three of the Approve Amended Joint Policy Board Travel Expenses, Steve recommended that the following sentence read: *In the first*

instance, if Trustees receive expense reimbursement from the original scheduler or from their county, UCIP would be billed only for incidentals incurred by for the UCIP meeting. Steve Wall made a motion to approve the October 20 meeting minutes as corrected. Gene Roundy seconded the motion, which passed unanimously.

Nominating Committee Report

Kay Blackwell reported that the Nominating Committee met telephonically and discussed the sixteen nominations made by members for the three available Trustee positions. The Committee selected the following names to be placed on the December 1 Membership Meeting ballot: Gene Roundy and Suzanne Rees (Third Class County Representative); Val Draper, Robert Pero and Steve Wall (Fourth Class County Representative); and Reed Hatch, Chad Johnson and Karla Johnson (At Large Representative). Kay Blackwell made a motion to approve the nominations selected by the Nominating Committee for election at the December 1 Membership Meeting. Jim Eardley seconded the motion, which passed unanimously.

Chief Executive Officer's Report

Lester Nixon reported that the contract between Utah Counties Insurance Pool (UCIP) and Public Employees Health Program (PEHP) is 95% complete and will be finalized next week and presented to the Board at its December 15 meeting. The UCIP Benefits Pool will begin January 1, 2006 with five counties (400 employees). Staff anticipates having 15 counties (1500 employees) by this time next year. PEHP is working with staff to get everyone enrolled and trained on time. PEHP will handle some enrollment services and marketing for a fee of \$3.00 per employee. This cooperative effort with PEHP is a good way to start the Benefits Pool. Lester anticipates that within three years the Benefits Pool will be able to reimburse the Multiline Pool for the feasibility study costs.

Lester Nixon announced that the State Tax Commission has refunded \$35,000 of the Workers' Compensation Pool's Self-Insured Tax.

Annual Membership Meeting Assignments

Sonya White reviewed the agenda for the December 1 Annual Membership Meeting with the Board (see attachment #1). Dan McConkie and Lynn Lemon will be at a National Association of Counties meeting that day and will be unable to attend. Gene Roundy will conduct the meeting and offer the Officer's Address for Dan. Steve Wall will offer the Audit Committee Report for Lynn. The Board agreed with their assignments and will be prepared for the meeting.

Approve Contract between PEHP and UCIP for Administrative Services

Kent Sundberg requested this item to be stricken. The contract will be finalized and presented to the Board at its December 15 meeting.

Building Agreement between UAC and UCIP

Camille Cain explained to the Board that since April, when Lester Nixon provided the Utah Association of Counties (UAC) with proposed options for the building, there have been many discussions in an effort to resolve this issue for the benefit of both UAC and UCIP. The UAC Board wants to be fair and equitable to UCIP regarding the building. The appraisal on the building took much longer than UAC had anticipated. Incorrect information was provided to the appraiser so, when the initial appraisal came back, it had to be corrected. The final appraisal was received last Friday [November 4] and a copy can be provided to UCIP on Tuesday [November 15].

Karl Hendrickson explained that the UAC Board directed him to research the history, financial statements and assumptions made on equity for the building (see attachment #2). The building was originally financed for \$1,710,000 and the final building cost was approximately \$1,886,000. UAC originally contributed \$175,851 for cost overruns. The current fair market value of the building and vacant land is \$1,790,000 (95% of the original cost value). Art Partridge, Washington County Assessor, has provided his written opinion on UCIP's request to condominiumize the building (see attachment #3). Condominiumizing will negatively affect the value of the upper floor and lower floor of the building. Karl explained his calculations of equity by using the current market value and the amount of debt retired and the relative contributions of UAC and UCIP with UAC receiving additional

credit for its initial contribution (reference page 2 of attachment #2). Karl reviewed the refinancing options available to UAC. UAC can afford to refinance if a tax exempt debt were issued. If a commercial mortgage were obtained, it would only make sense if UCIP left the building. Finally, Karl presented two options to the UCIP Board for consideration: 1) transfer the vacant lot to UCIP and give UAC sole possession of the building; and 2) UAC to buy out UCIP's interest in the building in an amount of \$143,658. Based on Karl's reconstruction from past UAC minutes he provided the Board with an equity spreadsheet (see attachment #4). Utah Association of Counties Insurance Mutual (UACIM) Director, Brett Rich, was quoted in past documents as saying that UACIM was paying, with no intent to earn equity. If UCIP has documentation to the contrary it should be provided to Karl.

Mark Brady inquired about UAC's review of the condominium arrangement. Camille Cain explained that for a long-term arrangement an owner must be able to sell their property. Shared space, dividing assets, lower investment value, right of first refusal, etc., really won't work in the best interest of either party. Karl said that both parties serve elected officials but UAC's family is different than UCIP's family in that Salt Lake and Summit Counties are not members of UCIP and they are members of UAC. Most critical is what is done with the asset. Camille can appreciate the frustration and feels this issue has festered for quite awhile but explained that UAC has tried its hardest to provide these two options and is willing to hear UCIP's questions and concerns and looks forward to a response to these options. Lynn Lemon asked that if UCIP were to move, is UAC in a position to pay out the equity? Ken Bischoff suggested that UAC could sell the vacant lot for cash. Karl explained that because of the bond the vacant lot can't be sold to get cash. The Board thanked Camille and Karl for their presentation and the rest of the UAC Executive Committee for attending. The options presented will be considered. UAC representatives excused themselves from the remainder of the meeting.

Approve Joint Policy Board Travel Expenses

The Board considered the proposed changes to the Joint Policy Board Travel Expenses presented at the October 20 meeting. Gene Roundy made a motion to strike proposed paragraph three from the amended Joint Policy Board Travel Expenses. Steve Wall seconded the motion, which passed unanimously. Kay Blackwell made a motion to approve the Joint Policy Board Travel Expenses as corrected and amended. Ken Bischoff seconded the motion, which passed unanimously.

Approve UCIP Committee Members

Lester Nixon reviewed the Committee Membership listing with the Board (see attachment #5). Brock Belnap is proposed to replace Wally Lee on the Litigation Management Committee and several County Personnel Directors have been added to the Personnel Committee (who will also serve as the Benefits Pool Steering Committee) in an effort to have each county represented. Steve Wall made a motion to approve the Litigation Management and Personnel Committee Members as listed. Steve Baker seconded the motion, which passed unanimously.

Approve 2006 Reinsurance Contracts

Lester Nixon explained that the Lloyd's of London property reinsurance contract will not be available until December. Initial indications are coming in at a 10% increase. The additional \$50,000 added to member premiums will cover a 10% increase. The liability and workers' compensation renewal contracts, from County Reinsurance Limited, are expected within the next 10 days. The crime coverage renewal proposal is at \$2,000 less than last year. All the contracts will be presented to the Board at its December 15 meeting.

Set Date and Time for Closed Meeting

Kent Sundberg made a motion to strike the agenda item to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation. Jim Eardley seconded the motion, which passed unanimously.

Action on Litigation Matters

Kent Sundberg made a motion to strike the agenda item for action on litigation matters. Jim Eardley seconded the motion, which passed unanimously.

Set Date and Time for Closed Meeting

Ken Bischoff made a motion to set the date and time of a closed meeting to discuss the character, professional competence, physical/mental health of an individual for November 10, 2005 at 9:25 p.m. Kay Blackwell seconded the motion, which passed unanimously.

Jim Eardley made a motion to conclude the closed meeting to discuss the character, professional competence, physical/mental health of an individual on November 10, 2005 at 9:35 p.m. Ed Phillips seconded the motion, which passed unanimously.

Jim Eardley made a motion to approve Lester Nixon's compensation recommendation. Ken Bischoff seconded the motion, which passed unanimously.

Ratification and Approval of Payments

Gene Roundy reviewed the payments previously made, the payments to be made (see attachment #6) and the credit card transactions with the Board. Ken Bischoff made a motion to approve the payments previously made, the payments to be made and the credit card transactions as reported. Steve Baker seconded the motion, which passed unanimously.

Schedule Coverage Agreement Review Committee Meeting

Ken Bischoff explained that County Reinsurance Limited has recommended changes to the Coverage Agreement for the 2006 policy year. Lester Nixon will draft these recommendations and Sonya White will contact the Committee Members with a scheduled meeting date.

Building Agreement between UAC and UCIP

Kent Sundberg reopened the discussion on the building to establish how the Board wants to proceed. Kent does not agree with the equity calculation of \$143,658. Lester Nixon had reservations regarding the equity spreadsheet wherein UCIP was not given credit for the first two years of the bond. The budgets were co-mingled and UCIP was charged for equity and interest. Lynn Lemon asked, should UCIP move next door to UAC or find a property to lease? Lester explained that the vacant lot is a half acre, not enough for a building, and the parking lot arrangement would still have to be negotiated. Gene Roundy was hoping that UAC and UCIP could stay together. Kent explained that UCIP's condominium arrangement proposal was better than undivided interest and it would have kept the two together but UAC does not want a condominium arrangement. Depending on what the Board wants, as far as space (offices, training room, conference room), it may be in the best interest of the Board to lease space for a year or two while searching for a building to purchase. The Board directed Lester to research and confirm the equity calculation and provide the Board with rental space options at its December 15 meeting.

Other Business

The Next meeting of the Board of Trustees is scheduled for December 15 at 10:00 a.m. at Cabela's.

Approved on this _____ day of _____ 2005

Gene Roundy, UCIP Secretary-Treasurer

What would you suggest we do differently?

1.	Please quit ragging on Mark Brady, It's past funny
2.	nothing
3.	have jelly beans without black ones
4.	can't think of anything
5.	Nothing. I liked the meeting room better, there was plenty of room and the chocolate was excellent.
6.	Not much. The information provided by the reporting entities is necessary and not much can be done to change it. I appreciated the fact that everyone tried to make their reporting concise/to point.
7.	what about a breakfast buffet and a morning meeting?
8.	Have it on a Friday
9.	Nothing
10.	start on time, someone will always be late
11.	Let's n no have committee reports to have them - would prefer that Lester take more time and talk about the pool, someone ought to talk more about the type of claims and tngs like that that the commis
12.	nothing
13.	I think it was good.
14.	Nothing
15.	not much
16.	Nothing

Where would you like this meeting to be held next year (location, facility)?

1.	Davis Conference Center or the Davis Park Golf Course Reception area. They have onsite catering that is very good. The rental rate is \$200.00 (I believe)
2.	Same place is good,
3.	Thanksgiving Point please
4.	same location.
5.	St. George, or Salt Lake area
6.	Thanksgiving Point seems like a good one to stick with.
7.	same place
8.	Same Place
9.	no preference
10.	Same place
11.	Same.
12.	Thanksgiving Point was fine.
13.	Same place
14.	Same place
15.	thanksgiving point
16.	Same place would be fine. Homestead in Midway is always nice.
17.	In the north area, Provo, SLC Layton
18.	no preference
19.	Doesn't matter to me. I think the location the past two years was very nice. Was good to have a little larger meeting room this year.
20.	I'm flexible
21.	This was a fine facility; centrally located
22.	Same place would be great!

If you did, how was the experience?

1.	haven't gone yet, but I'm excited. When the weather is good I'll go
2.	I will go.
3.	did not attend
4.	My parents enjoyed it very much.
5.	My daughter, who accompanied me to the event, said it was wonderful and that she plans to take her family to Thanksgiving Point for a day.
6.	Not at this time - weather related travel concerns
7.	Did not go
8.	Heaven't attended yet, still have the tickets, but I look forward to it.
9.	Did not attend, but would like to go in the future
10.	fun
11.	saving tickets for another day-THANKS
12.	Excellent
13.	Wonderful

What did you like best about the 2005 Annual Meeting of the Members?

1.	It was well prepared and flowed well.
2.	The meeting went quickly, The more technical aspects that were not belabored Then the overhead presentations combined with the handouts were nice so we could follow along and include our own notes.
3.	The format
4.	I enjoy renewing friendships and associations with other representatives from around the state. It was a pleasant day (snowy weather excluded).
5.	having 2 meetings and lunch, being able to drive before dark.
6.	it started & ended on time
7.	Sense of overall organization and goodwill
8.	it's to the point, no wasted time
9.	meeting with others & data
10.	It seemed very informative but not too long.
11.	The location and atmosphere
12.	Seemed more relaxed than last year. More space in the lunch room and the meeting room.
13.	Location
14.	Everything was great
15.	Seeing that the Mutual is still doing very well
16.	ceo report
17.	It was a good learning experience for me as a new councilman.
18.	meeting room was much better than last year, as always well organized and put together
19.	The friendship everyone shares
20.	Our own day with no other meetings to hurry to have to get to or come from.
21.	very well organized; meeting people; listing to history/reports
22.	My first attendance; good information.
23.	I liked winning the grand prize and being award a plaque for 100% compliance in risk management

15. Did you take advantage of the complimentary tickets to:			Response Percent	Response Total
Museum of Ancient Life Exhibits			100%	9
Xango Mammoth Screen Theater			100%	9
Total Respondents				9
(skipped this question)				22

16. If you did, how was the experience?			View	Total Respondents	13
(skipped this question)					18

17. What did you like best about the 2005 Annual Meeting of the Members?			View	Total Respondents	23
(skipped this question)					8

18. What would you suggest we do differently?			View	Total Respondents	16
(skipped this question)					15

19. Where would you like this meeting to be held next year (location, facility)?			View	Total Respondents	22
(skipped this question)					9

10. How would you rate the information provided in the committee reports?

	excellent	good	average	fair	poor	Response Average
Steve Wall, Audit Committee	20% (6)	53% (16)	23% (7)	3% (1)	0% (0)	2.10
Ed Phillips, Law Enforcement Committee	20% (6)	57% (17)	23% (7)	0% (0)	0% (0)	2.03
Kent Sundberg, Litigation Management Committee	30% (9)	63% (19)	7% (2)	0% (0)	0% (0)	1.77
Steve Baker, Personnel Committee	17% (5)	66% (19)	17% (5)	0% (0)	0% (0)	2.00
Total Respondents						30
(skipped this question)						1

11. How would you rate the information provided in the staff reports?

	excellent	good	average	fair	poor	Response Average
Mark Brady, Loss Control Manager	24% (7)	66% (19)	10% (3)	0% (0)	0% (0)	1.86
Brody Parker, Work Comp Safety Specialist	24% (7)	66% (19)	10% (3)	0% (0)	0% (0)	1.86
Korby Siggaard, Multiline Claims Manager	21% (6)	72% (21)	7% (2)	0% (0)	0% (0)	1.86
Lester Nixon, Chief Executive Officer	41% (12)	52% (15)	7% (2)	0% (0)	0% (0)	1.66
Total Respondents						29
(skipped this question)						2

12. How would you rate the information provided in the Officer's report?

	excellent	good	average	fair	poor	Response Average
Gene Roundy, Trustee	20% (6)	67% (20)	13% (4)	0% (0)	0% (0)	1.93
Total Respondents						30
(skipped this question)						1

13. How would you rate the information presented by County Reinsurance Limited?

	excellent	good	average	fair	poor	Response Average
Phil Bell, Executive Director	20% (6)	63% (19)	17% (5)	0% (0)	0% (0)	1.97
Total Respondents						30
(skipped this question)						1

14. What are your comments, if any, relating to the presentations made on the following agenda items:

	Response Percent	Response Total
View Speeches by Nominees	92.3%	12
View Ballot Election	69.2%	9
View Review of Member Powers	76.9%	10
View Outstanding Achievements Awards	76.9%	10
Total Respondents		13
(skipped this question)		18

Did you like/dislike the holiday lunch? Explain.	
1.	Very Good
2.	The food was good and it was not crowded
3.	Lunch was wonderful
4.	Enjoyed the meal; very well done.
5.	WONDERFUL.....!!!!!!
6.	Lunch was a great time to visit and really enjoyed Mr. Cox's presentation
7.	excellent
8.	I liked it; it helped me maintain my standard of overconsumption!
9.	it was fine
10.	Very Good
11.	enjoyed it
12.	Very good
13.	Loved the lunch
14.	Great meal - may have been a little heavy but tasted delicious!
15.	Yes - it was very nice!
16.	The lunch was very good
17.	The lunch was very nice.
18.	The best lunch at a meeting I've ever had, and I've had several.
19.	Great
20.	very good
21.	excellent grub
22.	Great
23.	I liked it
24.	It was good
25.	One of the better!
26.	Sure
27.	Food was excellent; surrounding beautiful
28.	Yes
29.	Loved it!
30.	Fabulous!
31.	It was very good

Did you like/dislike the facility at Thanksgiving Point? Explain.	
1.	I do enjoy Thanksgiving Point it is a nice get away. But love to have you at the Davis Conference Center.
2.	As far as I'm concerned we can have the meeting there every year.
3.	It was a nice change from some of the other venues we've attended.
4.	Impressive
5.	Like it very much, They have room to host us, plus it was quiet. Great parking.
6.	good
7.	Excellent facility; nice to have something for our companions to do.
8.	good. it's a comfortable setting
9.	Excellent
10.	liked it
11.	Liked it, Very Christmasy feeling
12.	Wonderful facility / great atmosphere
13.	The lunch room and the meeting room had more space. It didn't feel like we were in a sardine can.
14.	Yes - facility nice and the room temperature was great.
15.	Liked
16.	It is convient and well suited for the meeting
17.	Very nice
18.	Like
19.	top notch
20.	The conference room was very good, nice accomodations
21.	No better than any other location or facility
22.	I liked it
23.	Liked
24.	It's good
25.	Yes
26.	great facility (though chairs for meeting uncomfortable)
27.	Yes
28.	Enjoyed the facilities
29.	Loved it!
30.	I love Thanksgiving Point, very festive and a real good location

5. Overall impression of the meeting

	Response Percent	Response Total
Excellent	32.3%	10
Very Good	67.7%	21
Average	0%	0
Poor	0%	0
Total Respondents		31
(skipped this question)		
		0

6. Did you like the format/time schedule of the meeting?

	Response Percent	Response Total
Yes	96.8%	30
No (explain what would work better for you)	6.5%	2
Total Respondents		31
(skipped this question)		
		0

7. Did you like/dislike the holiday lunch? Explain.

Total Respondents		31
(skipped this question)		
		0

8. How would you rate the guest speaker and his presentation of "What a Year in Washington County"?

	excellent	good	average	fair	poor	Response Average
Dean Cox, Emergency Services Director	65% (20)	29% (9)	6% (2)	0% (0)	0% (0)	1.42
Total Respondents						31
(skipped this question)						
						0

9. Did you like/dislike the facility at Thanksgiving Point? Explain.

Total Respondents		30
(skipped this question)		
		1

AGENDA ITEM SUMMARY

Item Description

Building equity issue.

Background, Discussion

At the last meeting, the Board received a copy of a memorandum from Karl Hendrickson, UAC Counsel, to Camille Cain, et. al. This memo included a calculation of the equity in the building for both UAC and UCIP and was based on payments made since 1998. A copy of this memo is attached.

During the period in late 2002 when UAC and UCIP were considering ending the administrative agreement between the two parties, both UAC and UCIP commissioned audits of past expenditures from the administrative payments made by UCIP to UAC. For the most part, these reports agree. The Robison, Hill report is attached. Robison, Hill is the CPA firm used by UAC.

Based on the Robison, Hill report I have prepared the attached spreadsheet using their information.

Recommendation

Staff recommends a counter offer be made to UAC for an equity buyout, and new office space be sought for UCIP.

UACIM BOARD OF TRUSTEES MEETING MINUTES

October 7, 1999, 10:00 a.m.

DRAFTED RENT OPTIONS

Brent Gardner reported that the attorney for the Utah Association of Counties (UAC), Bill Peters, is in the process of reviewing the Administrative Agreement between UAC and UAC Insurance Mutual, therefore he is not prepared at this time to present options to the Board. Kent Petersen made a motion appointing a Committee to draft the rent options consisting of the UAC Executive Board (Kristine Frischknecht, Mark Altom, Dave Bateman and Sharon Walters), the UACIM Executive Board (Gary Herbert, Jerry Hess and Dan McConkie) and Tex Olsen. Chad Johnson seconded the motion, which passed unanimously.

MINUTES

December 3, 1999, 1:00 p.m.

No mention in December 3, 1999

MINUTES

January 10, 2000, 9:30 a.m.

DRAFTED RENT OPTIONS

Brent Gardner reported that he has set a meeting with the UAC Executive Board and members of the UACIM Board of Trustees—Gary Herbert, Dan McConkie, Tex Olsen, Sarah Ann Skanchy and Kent Sundberg for February 10, 2:00 p.m. in the Roundhouse at the Capitol to draft rent options for UACIM. Brent will give a report at the next meeting.

MINUTES

February 25, 2000, 9:30 a.m.

BUILDING AGREEMENT

Brent Gardner reported that members of the Utah Association of Counties (UAC) Board of Directors and members of the UAC Insurance Mutual (UACIM) Board of Trustees met on February 10 to discuss options between UAC and UACIM relating to the UAC building. A line item for rent is included in the administration fee paid by UACIM to UAC that includes debt service, maintenance, reserve fund, etc. on the building. In this meeting it was agreed that UACIM should own a portion of the building pursuant to the percentage of contributions paid on the building. Bill Thomas Peters is drafting language to amend the Administration Agreement to be approved by the UACIM Board and the UAC Board.

MEMORANDUM

TO: CAMILLE CAIN, ART PARTRIDGE, KELLY WRIGHT, BRENT GARDNER
FROM: KARL HENDRICKSON
DATE: 5 NOVEMBER 2005

RE: UCIP-UAC BUILDING ISSUES

A. BUILDING FINANCIALS

1. **OUTSTANDING PRINCIPAL.** Principal payments on the building were back loaded. None of the payments applied to the outstanding principal until 1999 (i.e. 1997-1998 were interest only). \$330,000 of the principal is not retired until year 15 of the bond issue (2012). The building was originally financed through the issuance of certificates of participation in the principal amount of \$1, 710,000. To date, \$610,000 has been paid toward principal. There remains \$1,100,000 outstanding which needs to be refinanced if we change the legal ownership interests in the building.

2. **UAC ORIGINAL CONTRIBUTION.** UAC originally contributed \$175,851.08 as a "down payment". This was not an equity payment which reduced the amount financed, but rather served to capitalize the debt service reserve fund (\$169,851+/-) and pay miscellaneous expenses. The project ran into cost overruns and the funds were withdrawn from the debt service reserve fund and used to pay construction expenses. Zions Bank issued a letter of credit in the amount of \$171,000 to satisfy the debt service reserve fund requirement. Thus, even though the entire \$1,710,000 was financed, UAC still contributed \$175,851.08 in cash to the final building cost of approximately \$1.886 million.

3. **CURRENT FAIR MARKET VALUE.** The original cost to construct the UAC facility was \$1, 885,851. The current fair market value of the facility, per the UAC commissioned appraisal dated as of Sept. 7, 2005, is \$1,790,000. The main floor value is \$1,285,000, the basement value is \$280,000, and the vacant land value is \$225,000. The total current value is approximately ninety-five percent (95%) of the original cost value.

B. CALCULATION OF EQUITY

There are two different concepts involved in this. The first is the relative equity of the parties in the realty (this includes the building, the underlying land, and the lot which was included in the pledged land) at its current market value. The second is merely a derived mathematical calculation based on the amount of debt retired and the relative contributions of the parties with UAC receiving additional credit for its initial contribution. The former can be calculated by using 95% of the derived calculation.

1. DEBT SERVICE PAID

- a. TOTAL DEBT SERVICE PAID—\$1,258,178.22
- b. UCIP Total UCIP debt service payments of \$311,961
(24.79%)
- c. UAC Total UAC debt service payments of \$946,216
(75.21%)—Total UAC contribution \$1,122,068

2. EQUITY (BASED ON \$610,000 DEBT REDUCTION)

- a. UCIP— \$151,219
- b. UAC— \$458,781

3. EQUITY (BASED ON DEBT REDUCTION AND INITIAL CONTRIBUTION)

- a. UCIP— \$151,219 (19.24%)
- b. UAC— \$634,632 (80.76%)

4. EQUITY (BASED ON CURRENT FAIR MARKET VALUE)

- a. UCIP—\$143,658
- b. UAC— \$602,900

C. REFINANCING CONSIDERATIONS

\$1,100,000 remains outstanding of the original debt issue. This could be refinanced in one of two ways. If tax exempt debt were issued, the annual payment would be reduced from approx. \$184,000 to approx. \$110,000. If UAC retained sole possession of the building, it would be obligated for this amount for an additional fifteen (15) year term. If possession of the building was shared, UAC would be obligated for its proportionate share (approx. 55%).

If a commercial mortgage was obtained (this would allow leasing of the lower floor to a for profit entity), the interest rate would be approximately 1.5% to 2% higher. For a fifteen year term, this would result in an annual payment of approx. \$115,000. Commercial financing would not make sense unless UCIP left the building and we needed to expand leasing options.

OPTIONS FOR CONSIDERATION

A. TRANSFER THE VACANT LOT TO UCIP AND GIVE UAC SOLE POSSESSION OF THE BUILDING

Assuming a value of \$225,000 for the lot, this would require a payment from UCIP to UAC. At an equity calculation based on the current fair market value this would necessitate a payment from UCIP to UAC of approximately \$81,300. This would likely also require UCIP to acquire from UAC rights to common use of the parking. This alternative has the benefit of not subdividing a building which is inherently difficult to divide in a rational fashion (see Art Partridge memo)

B. BUY OUT UCIP'S INTEREST IN THE BUILDING

This would require a payment to UCIP of its equity in the building. This should be calculated based on the current fair market value of the property and would be \$143,658.

DEBT SERVICE AND PRINCIPAL PAID BY UCIP ON UAC BUILDING

YEAR	PRINCIPAL	INTEREST	FEES	AMOUNT
1997				
1998				
1999				0
2000				0
2001	23000	29408.7	-9.88	52398.82
2002	25500	27937.12	71.77	53508.89
2003	34200	33408.65	138.9	67747.55
2004	38000	31260.7	120.64	69381.34
2005	39900	28873.35	151.86	68925.21
2006				
Total	160600	150888.52	473.29	311961.81

DEBT SERVICES AND PRINCIPAL PAID BY UAC ON UAC BUILDING

YEAR	PRINCIPAL	INTEREST	FEES	AMOUNT
1997				175851.08
1998				
1999	75000	106562.5	63.84	181626.34
2000	75000	102643.74	301.8	177945.54
2001	57000	68622.75	-25.62	125597.13
2002	59500	65186.63	167.46	124854.09
2003	55800	54508.85	226.63	110535.48
2004	62000	51004.3	196.83	113201.13
2005	65100	47109.15	247.78	112456.93
2006				
TOTAL	449400	495637.92	1178.72	1122067.72

*175,851.08 is UAC initial contribution to capitol for costs to construct.



Robison, Hill & Co.
A PROFESSIONAL CORPORATION

Certified Public Accountants

Brent M. Davies, CPA
David O. Seal, CPA
W. Dale Westonskow, CPA
Barry D. Loveloss, CPA

FACSIMILE COVER SHEET

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TO: Brent Gardner
COMPANY: UAC
TELECOPIER NUMBER: 265-9485
CONFIRMATION NUMBER:

FROM: Kenneth A. Mackay

RE: Accounting activity for Insurance Mutual & McClarens through 2001

Additional Message: This is the accounting activity for McClarens and Insur Mutual per your request.
There are a few adjustments made that differ from the accounting printouts.
The reserves and repairs were added to both 2000 and 2001.
Also, UACIM portion of the building write off of \$16,742.50 was added in 2000.

If you have any questions, please feel free to call.
Thank you.

DATE: 07/29/02

TIME: 03:47 PM

Total Pages Transmitted,
INCLUDING this page: 6

Equipment Operator: kam

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1366 East Murray-Holladay Road, Salt Lake City, Utah 84117-5050
Telephone 801/272-8045, Facsimile 801/277-9942

UTAH ASSOCIATION OF COUNTIES

	INSUR MUTUAL	MCLARENS	TOTAL
BEGINNING BALANCE 1-1-96	321,013.43	2,776.51	323,789.94
1996 REVENUE			
MANAGEMENT FEES	260,000.00	13,313.92	273,313.92
INTEREST INCOME	<u>19,240.76</u>	<u>0.00</u>	<u>19,240.76</u>
TOTAL 1996 REVENUE	<u>279,240.76</u>	<u>13,313.92</u>	<u>292,554.68</u>
1996 EXPENSES			
STAFF SALARIES	115,809.93	0.00	115,809.93
TRAINING & ASSISTANCE	4,778.71	0.00	4,778.71
MANAGEMENT FEE	15,440.34	0.00	15,440.34
ACCOUNTING/AUDITING	360.00	0.00	360.00
AUTOMOBILE EXPENSE	3,987.88	0.00	3,987.88
BOARD EXPENSE	9,931.53	0.00	9,931.53
TECHNICAL ASSISTANCE	334.36	0.00	334.36
STAFF EXPENSE	9,625.11	0.00	9,625.11
UACIM ADMINISTRATIVE FEES	6,323.20	0.00	6,323.20
OFFICE RENT	18,173.30	12,116.82	30,290.12
TELEPHONE	3,427.85	0.00	3,427.85
POSTAGE	4,228.80	0.00	4,228.80
OFFICE SUPPLIES	2,923.40	0.00	2,923.40
COPIES	1,518.93	0.00	1,518.93
NEWSLETTER EXPENSE	1,239.36	0.00	1,239.36
RETIREMENT	24,061.54	0.00	24,061.54
FICA	9,140.36	0.00	9,140.36
MEDICAL INSURANCE	22,294.06	0.00	22,294.06
OTHER INSURANCE	1,729.05	0.00	1,729.05
DUES, SUBSC & MEMBERSHIPS	935.08	0.00	935.08
PRINTING	1,161.97	0.00	1,161.97
PUB RELATIONS & MARKETING	84.20	0.00	84.20
EQUIPMENT PURCHASE	<u>34,490.35</u>	<u>0.00</u>	<u>34,490.35</u>
TOTAL 1996 EXPENSES	<u>291,999.31</u>	<u>12,116.82</u>	<u>304,116.13</u>
1996 BALANCE	-12,758.55	1,197.10	-11,561.45
CUMMULATIVE BALANCE	<u>308,254.88</u>	<u>3,973.61</u>	<u>312,228.49</u>
1997 REVENUE			
MANAGEMENT FEES	267,500.00	13,954.51	281,454.51
INTEREST INCOME	<u>21,131.36</u>	<u>0.00</u>	<u>21,131.36</u>
TOTAL 1997 REVENUE	<u>288,631.36</u>	<u>13,954.51</u>	<u>302,585.87</u>
1997 EXPENSES			
STAFF SALARIES	108,948.58	0.00	108,948.58
TRAINING & ASSISTANCE	1,749.78	0.00	1,749.78
MANAGEMENT FEE	5,000.00	0.00	5,000.00
ACCOUNTING/AUDITING	588.72	0.00	588.72
AUTOMOBILE EXPENSE	6,104.41	0.00	6,104.41
BOARD EXPENSE	6,641.28	0.00	6,641.28
TECHNICAL ASSISTANCE	107.71	0.00	107.71

UTAH ASSOCIATION OF COUNTIES

	INSUR MUTUAL	MCLARENS	TOTAL
STAFF EXPENSE	10,289.63	0.00	10,289.63
UACIM ADMINISTRATIVE FEES	1,681.58	0.00	1,681.58
OFFICE RENT	19,268.74	12,951.67	32,220.41
TELEPHONE	3,382.88	0.00	3,382.88
POSTAGE	3,266.48	0.00	3,266.48
OFFICE SUPPLIES	2,416.24	0.00	2,416.24
COPIES	1,242.83	0.00	1,242.83
NEWSLETTER EXPENSE	417.52	0.00	417.52
RETIREMENT	17,670.77	0.00	17,670.77
FICA	8,528.20	0.00	8,528.20
MEDICAL INSURANCE	17,267.51	0.00	17,267.51
OTHER INSURANCE	3,607.00	0.00	3,607.00
DUES, SUBSC & MEMBERSHIPS	918.96	0.00	918.96
PRINTING	1,346.26	0.00	1,346.26
SALE OF AUTOMOBILE	-8,900.00	0.00	-8,900.00
EQUIPMENT PURCHASE	<u>34,563.41</u>	<u>0.00</u>	<u>34,563.41</u>
 TOTAL 1997 EXPENSES	 <u>246,108.49</u>	 <u>12,951.67</u>	 <u>259,060.16</u>
 1997 BALANCE	 <u>42,522.87</u>	 <u>1,002.84</u>	 <u>43,525.71</u>
 CUMULATIVE BALANCE	 <u>350,777.75</u>	 <u>4,976.45</u>	 <u>355,754.20</u>
 1998 REVENUE			
 MANAGEMENT FEES	281,635.00	14,633.27	296,268.27
INTEREST INCOME	<u>20,975.35</u>	<u>0.00</u>	<u>20,975.35</u>
 TOTAL 1998 REVENUE	 <u>302,610.35</u>	 <u>14,633.27</u>	 <u>317,243.62</u>
 1998 EXPENSES			
STAFF SALARIES	131,343.13	0.00	131,343.13
TRAINING & ASSISTANCE	5,825.73	0.00	5,825.73
ACCOUNTING/AUDITING	590.00	0.00	590.00
AUTOMOBILE EXPENSE	2,471.62	0.00	2,471.62
BOARD EXPENSE	7,802.28	0.00	7,802.28
TECHNICAL ASSISTANCE	4,707.09	0.00	4,707.09
STAFF EXPENSE	17,753.86	0.00	17,753.86
UACIM ADMINISTRATIVE FEES	10,000.00	0.00	10,000.00
BUILDING MAINT & OPER	22,596.77	10,971.22	33,567.99
TELEPHONE	5,432.62	0.00	5,432.62
POSTAGE	3,475.22	0.00	3,475.22
OFFICE SUPPLIES	3,969.93	0.00	3,969.93
COPIES	1,563.05	0.00	1,563.05
RETIREMENT	25,800.44	0.00	25,800.44
FICA	10,073.28	0.00	10,073.28
MEDICAL INSURANCE	22,565.50	0.00	22,565.50
OTHER INSURANCE	4,551.81	0.00	4,551.81
DUES, SUBSC & MEMBERSHIPS	3,598.95	0.00	3,598.95
PRINTING	3,329.90	0.00	3,329.90
EQUIPMENT PURCHASE	<u>13,302.40</u>	<u>0.00</u>	<u>13,302.40</u>
 TOTAL 1998 EXPENSES	 <u>300,753.58</u>	 <u>10,971.22</u>	 <u>311,724.80</u>
 1998 BALANCE	 <u>1,856.77</u>	 <u>3,662.05</u>	 <u>5,518.82</u>

UTAH ASSOCIATION OF COUNTIES

	INSUR MUTUAL	MCLARENS	TOTAL
CUMULATIVE BALANCE	<u>352,634.52</u>	<u>8,638.50</u>	<u>361,273.02</u>
1999 REVENUE			
MANAGEMENT FEES	358,610.00	39,859.56	398,469.56
INTEREST INCOME	<u>19,181.20</u>	<u>0.00</u>	<u>19,181.20</u>
TOTAL 1999 REVENUE	<u>377,791.20</u>	<u>39,859.56</u>	<u>417,650.76</u>
1999 EXPENSES			
STAFF SALARIES	150,774.36	0.00	150,774.36
TRAINING & ASSISTANCE	7,667.01	0.00	7,667.01
ACCOUNTING/AUDITING	663.68	0.00	663.68
AUTOMOBILE EXPENSE	4,593.39	0.00	4,593.39
BOARD EXPENSE	5,222.50	0.00	5,222.50
DATA PROCESSING	3,166.32	0.00	3,166.32
STAFF EXPENSE	13,703.35	0.00	13,703.35
UACIM ADMINISTRATIVE FEES	10,000.00	0.00	10,000.00
DEBT SERVICE	<u>33,511.91</u>	<u>22,140.55</u>	<u>55,652.46</u>
BUILDING MAINT & OPER	10,050.96	5,754.36	15,805.32
BUILDING EQUIPMENT	16,603.84	6,826.57	23,430.41
TELEPHONE	4,776.32	0.00	4,776.32
POSTAGE	3,475.52	0.00	3,475.52
OFFICE SUPPLIES	2,458.28	0.00	2,458.28
COPIES	2,333.69	0.00	2,333.69
RETIREMENT	32,503.87	0.00	32,503.87
FICA	11,666.28	0.00	11,666.28
MEDICAL INSURANCE	25,905.13	0.00	25,905.13
OTHER INSURANCE	3,215.60	0.00	3,215.60
DUES, SUBSC & MEMBERSHIPS	3,243.90	0.00	3,243.90
PRINTING	1,902.79	0.00	1,902.79
SALE OF AUTOMOBILE	-3,900.00	0.00	-3,900.00
PUB RELATIONS & MARKETING	197.81	0.00	197.81
EQUIPMENT PURCHASE	36,041.23	3,250.00	39,291.23
PRINCIPAL PAYMENT	<u>22,500.00</u>	<u>15,000.00</u>	<u>37,500.00</u>
TOTAL 1999 EXPENSES	<u>402,277.74</u>	<u>52,971.48</u>	<u>455,249.22</u>
1999 BALANCE	<u>-24,486.54</u>	<u>-13,111.92</u>	<u>-37,598.46</u>
CUMULATIVE BALANCE	328,147.98	-4,473.42	323,674.56
2000 REVENUE			
MANAGEMENT FEES	447,686.00	338.25	448,024.25
INTEREST INCOME	<u>24,229.32</u>	<u>0.00</u>	<u>24,229.32</u>
TOTAL 2000 REVENUE	<u>471,915.32</u>	<u>338.25</u>	<u>472,253.57</u>
2000 EXPENSES			
STAFF SALARIES	146,511.64	0.00	146,511.64
TRAINING & ASSISTANCE	12,102.29	0.00	12,102.29
MANAGEMENT FEE	10,000.00	0.00	10,000.00
ACCOUNTING/AUDITING	2,104.74	0.00	2,104.74
AUTOMOBILE EXPENSE	5,017.55	0.00	5,017.55

UTAH ASSOCIATION OF COUNTIES

	INSUR MUTUAL	MCLARENS	TOTAL
BOARD EXPENSE	8,900.15	0.00	8,900.15
DATA PROCESSING	4,229.85	0.00	4,229.85
STAFF EXPENSE	14,218.23	0.00	14,218.23
DEBT SERVICE	34,017.49	21,315.41	55,332.90
BUILDING MAINT & OPER	10,656.93	6,648.68	17,305.61
BUILDING EQUIPMENT	7,125.15	1,962.38	9,087.53
TELEPHONE	4,092.25	0.00	4,092.25
POSTAGE	2,716.29	0.00	2,716.29
OFFICE SUPPLIES	2,116.16	0.00	2,116.16
COPIES	1,537.61	0.00	1,537.61
RETIREMENT	32,179.95	0.00	32,179.95
FICA	11,349.36	0.00	11,349.36
MEDICAL INSURANCE	23,676.39	0.00	23,676.39
OTHER INSURANCE	1,371.72	0.00	1,371.72
DUES, SUBSC & MEMBERSHIPS	1,621.45	0.00	1,621.45
SALE OF AUTOMOBILE	-4,500.00	0.00	-4,500.00
PRINTING	307.47	0.00	307.47
WRITE OFF BUILDING EXPENSES	16,742.50	0.00	16,742.50
RESERVES	17,260.00	0.00	17,260.00
REPAIRS	5,634.00	0.00	5,634.00
EQUIPMENT PURCHASE	25,711.37	0.00	25,711.37
PRINCIPAL PAYMENT	22,500.00	15,000.00	37,500.00
TOTAL 2000 EXPENSES	419,200.54	44,926.47	464,127.01
2000 BALANCE	52,714.78	-44,588.22	8,126.56
CUMULATIVE BALANCE	380,862.76	-49,061.64	331,801.12
2001 REVENUE			
MANAGEMENT FEES	446,815.00	0.00	446,815.00
INTEREST INCOME	20,010.23	0.00	20,010.23
TOTAL 2001 REVENUE	466,825.23	0.00	466,825.23
2001 EXPENSES			
STAFF SALARIES	160,333.70	0.00	160,333.70
TRAINING & ASSISTANCE	13,097.84	0.00	13,097.84
MANAGEMENT FEE	15,000.00	0.00	15,000.00
ACCOUNTING/AUDITING	1,704.50	0.00	1,704.50
AUTOMOBILE EXPENSE	7,344.39	0.00	7,344.39
BOARD EXPENSE	15,249.61	0.00	15,249.61
DATA PROCESSING	5,112.85	0.00	5,112.85
TECHNICAL ASSISTANCE	900.00	0.00	900.00
STAFF EXPENSE	18,657.42	0.00	18,657.42
DEBT SERVICE	28,398.77	20,598.55	48,997.32
BUILDING MAINT & OPER	11,623.21	7,815.75	19,438.96
BUILDING EQUIPMENT	0.00	0.00	0.00
TELEPHONE	5,579.11	0.00	5,579.11
POSTAGE	2,927.28	0.00	2,927.28
OFFICE SUPPLIES	3,003.78	0.00	3,003.78
COPIES	1,302.73	0.00	1,302.73
RETIREMENT	29,306.77	0.00	29,306.77
FICA	12,626.88	0.00	12,626.88
MEDICAL INSURANCE	33,409.13	0.00	33,409.13

UTAH ASSOCIATION OF COUNTIES

	INSUR MUTUAL	MCLARENS	TOTAL
OTHER INSURANCE	1,446.24	0.00	1,446.24
DUES, SUBSC & MEMBERSHIPS	2,141.78	0.00	2,141.78
SALE OF AUTOMOBILE	-7,900.00	0.00	-7,900.00
PRINTING	1,303.55	0.00	1,303.55
PUB RELATIONS & MARKETING	70.00	0.00	70.00
RESERVES	17,260.00	0.00	17,260.00
REPAIRS	5,634.00	0.00	5,634.00
EQUIPMENT PURCHASE	25,970.05	530.65	26,500.70
PRINCIPAL PAYMENT	24,000.00	16,000.00	40,000.00
TOTAL 2001 EXPENSES	<u>435,503.59</u>	<u>44,944.95</u>	<u>480,448.54</u>
2001 BALANCE	31,321.64	-44,944.95	-13,623.31
CUMULATIVE BALANCE	412,184.40	-94,006.59	318,177.81

UAC INSURANCE MUTUAL
2001 ADMINISTRATIVE BUDGET

REVENUES COLLECTED

Management Fees	446,815
Interest	0
Total Revenue	446,815

EXPENSES PAID

Accounting/Audit	550
Administrative Fees	5,000
Auto Expenses	7,500
Auto Reserve	14,000
Board Expenses	7,000
Consulting Fees	0
Copying	1,200
Data Processing	3,500
Dues, Subscriptions	1,250
FICA	11,400
Loss Control/Training	14,000
Medical Insurance	29,400
Newsletter	1,000
Office Equipment	5,000
Office Rent: <i>Debt Service</i>	85,128
Office Rent: <i>Operating Expense</i>	9,393
Office Rent: <i>Reserve</i>	17,260
Office Rent: <i>Depreciation</i>	5,634
Office Supplies	4,000
Other Insurance	5,000
Postage	4,000
Printing	1,000
Retirement	34,150
Staff Expense	15,000
Staff Salaries	159,550
Technical Assistance	400
Telephone	5,500
Total Expenses	446,815

ENDING BALANCE 0

UAC INSURANCE MUTUAL
2002 ADMINISTRATIVE BUDGET

REVENUES COLLECTED

Management Fees	494,804
Interest	0
Total Revenue	494,804

EXPENSES PAID

Accounting/Audit	750
Administrative Fees	5,000
Auto Expenses	9,500
Auto Reserve	15,120
Board Expenses	15,000
Consulting Fees	0
Copying	1,500
Data Processing	4,800
Dues, Subscriptions	1,500
FICA	14,304
Loss Control/Training	14,000
Medical Insurance	32,340
Office Equipment	5,000
Office Rent: <i>Debt Service</i>	85,979
Office Rent: <i>Operating Expense</i>	13,500
Office Rent: <i>Reserve</i>	17,260
Office Rent: <i>Depreciation</i>	5,634
Office Supplies	2,000
Other Insurance	1,500
Postage	3,000
Printing	1,000
Retirement	40,580
Staff Expense	17,500
Staff Salaries	182,137
Technical Assistance	400
Telephone	5,500
Total Expenses	494,804

ENDING BALANCE	0
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UTAH ASSOCIATION OF COUNTIES
EXPENSES FOR NEW BUILDING

	UAC	MCAT	TOTAL	UACIM	MCLAR	TOTAL
1997						
INITIAL CONTRIBUTION	\$150,851.08	\$0.00	\$150,851.08	\$25,000.00	\$0.00	\$25,000.00
1998						
DEBT SERVICE	0.00	0.00	0.00	0.00	0.00	0.00
BLDG MAINT & OPER	9,741.63	3,368.49	13,110.12	9,290.91	1,744.98	0.00
BUILDING EQUIPMENT	40,356.25	0.00	40,356.25	0.00	0.00	11,035.89
						0.00
1999						
DEBT SERVICE	74,522.54	18,631.34	93,153.88	56,011.91	37,140.55	93,152.46
BLDG MAINT & OPER	12,312.84	3,354.82	15,667.66	10,050.96	5,754.36	15,805.32
BUILDING EQUIPMENT	20,323.57	6,595.29	26,918.86	16,603.84	6,826.57	23,430.41
2000						
DEBT SERVICE	72,631.02	18,157.76	90,788.78	56,517.49	36,315.41	92,832.90
BLDG MAINT & OPER	13,755.65	3,648.38	17,404.03	10,656.93	6,648.68	17,305.61
BUILDING EQUIPMENT	20,841.53	2,990.31	23,831.84	7,125.15	1,925.38	9,050.53
	\$415,336.11	\$56,746.39	\$472,082.50	\$191,257.19	\$96,355.93	\$287,613.12

UTAH ASSOCIATION OF COUNTIES
STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID
INSUR MUTUAL TRANSACTION FUND
FOR THE ONE MONTH AND TWELVE MONTHS ENDED DECEMBER 31, 2001

	CURRENT PERIOD AMOUNT	CURRENT PERIOD RATIO	YEAR TO DATE AMOUNT	YEAR TO DATE RATIO
REVENUE COLLECTED				
3120 MANAGEMENT FEES	\$ 111,703.75	99.26	\$ 446,815.00	95.71
3150 INTEREST INCOME	831.26	.74	20,010.23	4.29
TOTAL REVENUE COLLECTED	112,535.01	100.00	466,825.23	100.00
EXPENSES PAID				
4030 STAFF SALARIES	\$ 14,005.18	12.45	160,333.70	34.35
4040 TRAINING AND ASSISTANCE	595.00	.53	13,097.84	2.81
4070 MANAGEMENT FEE	15,000.00	13.33	15,000.00	3.21
4090 ACCOUNTING/AUDITING	.00	.00	1,704.50	.37
4170 AUTOMOBILE EXPENSE	629.53	.56	7,344.39	1.57
4280 TECHNICAL ASSISTANCE	900.00	.80	900.00	.19
4290 BOARD EXPENSE	1,664.49	1.48	15,249.61	3.27
4300 DATA PROCESSING	249.81	.22	5,112.85	1.10
4310 STAFF EXPENSE	966.03	.86	18,657.42	4.00
4400 DEBT SERVICE	.00	.00	28,398.77	6.08
4410 BUILDING MAINT & OPER	781.37	.69	11,623.21	2.49
4490 TELEPHONE	395.53	.35	5,579.11	1.20
4530 POSTAGE	808.96	.72	2,927.28	.63
4610 OFFICE SUPPLIES	82.41	.07	3,003.78	.64
4620 COPIES	1,258.73	1.12	1,302.73	.28
4690 RETIREMENT	2,729.46	2.43	29,306.77	6.28
4730 FICA	1,325.69	1.18	12,626.88	2.70
4770 MEDICAL INSURANCE	2,516.27	2.24	33,409.13	7.16
4810 OTHER INSURANCE	113.30	.10	1,446.24	.31
4890 DUES, SUBSC & MEMBERSHIPS	.00	.00	2,141.78	.46
5350 PRINTING	577.98	.51	1,303.55	.28
6880 PUB RELATIONS & MARKETING	70.00	.06	70.00	.02
TOTAL EXPENSES PAID	44,669.74	39.70	370,539.54	79.40
TRANSFERS				
3200 TRANSFER FROM PROP & EQUI	.00	.00	(7,900.00)	(1.69)
6350 TRANSFER TO PROP & EQUIP	2,414.13	2.15	25,970.05	5.56
6420 DEBT SERVICE-PRINCIPAL	.00	.00	24,000.00	5.14
TOTAL TRANSFERS	2,414.13	2.15	42,070.05	9.01
EXCESS REV OVER EXP AND TRANS	65,451.14	58.15	54,215.64	11.59
BEGINNING BALANCE	(16,597.20)	(14.75)	403,756.76	86.49
ENDING BALANCE	\$ 48,853.94	43.40	\$ 457,972.40	98.08

See accompanying accountant's report.

UAC/UACIM Year End Reconciliation – 2001

	2001 Budget	2001 Actual	Over/Under
Administrative Fee	\$446,815	\$446,815	
Expenses Paid			
Accounting/Audit	\$ 550	\$1,705	(1,155)
Administrative Fee	5,000	15,000	(10,000)
Auto Expense	7,500	7,344	156
Auto Reserve	14,000	14,000	0
Board Expense	7,000	11,542	(4,542)
Copying	1,200	1,303	103
Data Processing	3,500	5,113	(1,613)
Dues & Subscriptions	1,250	2,141	(891)
FICA	11,400	12,627	(1,227)
Loss Control Training	14,000	13,098	902
Medical Insurance	29,400	33,409	(4,009)
Newsletter	1,000	834	166
Office Equipment	5,000	5,287	(287)
Debt Service	85,128	88,997	(3869)
Building O & M	9,393	19,439	(10,046)
Debt Service Reserve	17,260	17,260	0
Building Depreciation	5,634	5,634	0
Office Supplies	4,000	3,004	996
Other Insurance	5,000	5,154	(154)
Postage	4,000	2,927	1,073
Printing	1,000	1,304	(304)
Retirement	34,150	29,307	4,843
Staff Expense	15,000	18,657	(3,657)
Technical Assistance	400	900	(500)
Telephone	5,500	5,579	(79)
Convention & Meetings	0	5,164	(5,164)
Staff Salaries	159,550	160,334	(784)
Totals	\$446,815	\$487,063	(32,748)

(40,248)
+ 7500

UAC/UACIM Year End Reconciliation – 2000

	2000 Budget	2000 Actual	Over/Under
Management Fee	\$447,686	\$447,686	
Expenses			
Accounting/Audit	\$ 550	\$ 2,105	(1,555)
Administrative Fee	5,000	10,000	(5,000)
Auto Expense	6,000	5,018	982
Auto Reserve	14,000	14,000	0
Board Expense	8,000	8,900	(900)
Copying	1,200	1,538	(338)
Data Processing	3,500	4,230	(730)
Dues & Subscriptions	1,250	1,621	(371)
Staff Salaries	164,862	146,512	18,350
FICA	11,000	11,349	(349)
Retirement	35,324	32,180	3,144
Medical Insurance	26,900	23,676	3,224
Loss Control Training	10,700	12,102	(1,402)
Newspaper	1,000	0	1,000
Office Equipment	5,000	7,125	(2,125)
Debt Service	120,000	92,833	27,167
Bldg. O&M	0	17,306	(17,306)
Bldg. Depreciation	0	17,260	(17,260)
Bldg. Debt Reserve	0	5,634	(5,634)
Office Supplies	4,000	2,116	1,884
Other Insurance	5,000	1,372	3,628
Postage	4,000	2,716	1,284
Printing	1,000	307	693
Telephone	5,500	4,092	1,408
Technical Assistance	400	0	400
Staff Expense	13,500	14,218	(718)
Convention & Meetings	0	5,000	(5,000)
Total Expenses	\$447,686	\$438,210	\$9,476

1500

Reserves

Building
Automobiles

Transfers Due Other UAC Funds

Building Deficit - Mclearns 107,119
Administrative Fees 2
Building Equipment
Legal Fees – Western General Dairies
Start up Fees

Direct Expenses

Conventions & Meetings
Legal Fees – Personnel Services
Over payment of Staff
Training & Education
Executive Director Services

Indirect Costs

Building Management
Communications – Phones
Depreciation
Personnel Services

UTAH ASSOCIATION OF COUNTIES
EXPENSES FOR NEW BUILDING

	UAC	MCAT	TOTAL	UACIM	MCLAR	TOTAL
1997 INITIAL CONTRIBUTION	\$150,851.08	\$0.00	\$150,851.08	\$25,000.00	\$0.00	\$25,000.00
1998 DEBT SERVICE BLDG MAINT & OPER BUILDING EQUIPMENT	0.00 9,741.63 40,356.25	0.00 3,368.49 0.00	0.00 13,110.12 40,356.25	0.00 9,290.91 0.00	0.00 1,744.98 0.00	0.00 0.00 11,035.89
1999 DEBT SERVICE BLDG MAINT & OPER BUILDING EQUIPMENT	74,522.54 12,312.84 20,323.57	18,631.34 3,354.82 6,595.29	93,153.88 15,667.66 26,918.86	56,011.91 10,050.96 16,603.84	37,140.55 5,754.36 6,826.57	93,152.46 15,805.32 23,430.41
2000 DEBT SERVICE BLDG MAINT & OPER BUILDING EQUIPMENT	72,631.02 13,755.65 20,841.53	18,157.76 3,648.38 2,990.31	90,788.78 17,404.03 23,831.84	56,517.49 10,656.93 7,125.15	36,315.41 6,648.68 1,925.38	92,832.90 17,305.61 9,050.53
	\$415,336.11	\$56,746.39	\$472,082.50	\$191,257.19	\$96,355.93	\$287,613.12

As of September 1992

Participating Counties			Non-Participating Counties		
County	Paid	Unpaid	County	Paid	Unpaid
Beaver		\$4,540	Carbon		\$5,950
Box Elder	\$4,200		Daggett	\$2,100	
Cache	\$3,500		Juab		\$3,150
Davis	\$8,450		Morgan	\$1,680	
Duchesne	\$4,760		Salt Lake	\$15,000	
Emery	\$6,560		Summit	\$3,640	
Garfield *	\$6,860		Weber		\$7,150
Grand	\$2,520				
Iron	\$6,300				
Kane		\$2,100			
Millard	\$3,900				
Piute	\$1,360				
Rich	\$1,120				
San Juan	\$4,540				
Sanpete	\$1,680				
Sevier	\$2,240				
Tooele	\$4,200				
Uintah	\$7,000				
Utah		\$5,400			
Wasatch	\$1,260				
Washington *	\$5,600				
Wayne	\$1,920				
Totals	<u>\$77,970</u>	<u>\$12,040</u>		<u>\$22,420</u>	<u>\$16,250</u>

**UCIP INTEREST AND PRINCIPAL PAID
ON BUILDING LOCATED AT 5397 SOUTH VINE**

YEAR	PRINCIPAL	INTEREST	FEES	AMOUNT
1999	\$37,500	\$55,652		\$93,152
2000	37,500	55,333		92,833
2001	40,000	48,997		88,997
2002	41,021	44,958		85,979
2003	34,200	33,409		67,609
2004	38,000	31,261		69,261
2005	39,900	28,873		68,773
TOTAL	268,121	\$298,483		\$566,604

FOR SUBLEASE / LEASE

6900 SOUTH 900 EAST

MIDVALE, UTAH



SITE INFORMATION

AVAILABLE FOR SUBLEASE

Space One: 2,982 RSF @ \$16.50 PSF/NNN

Sublease Expires: Oct. 31, 2010

Space Two: 4,447 RSF @ \$16.50 PSF/NNN

Sublease Expires: June 30, 2009

• Parking Ratio: 4/1000

• Monument Signage Available

• High Quality Space with Beautiful
Woodwork

AVAILABLE FOR LEASE

2nd Floor: 2,149 RSF @ \$16.00 PSF/NNN

This statement with the information it contains is given with the understanding that all negotiations relating to the purchase, renting, or leasing of the property described above shall be conducted through the office. The above information is not guaranteed has been obtained from sources we believe to be reliable.



**COLDWELL
BANKER
COMMERCIAL**

NRT

6550 South Millrock Drive, Suite 200
Salt Lake City, Utah 84121
www.coldwellutah.com

CONTACT INFORMATION

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lora.munson@coldwellutah.com

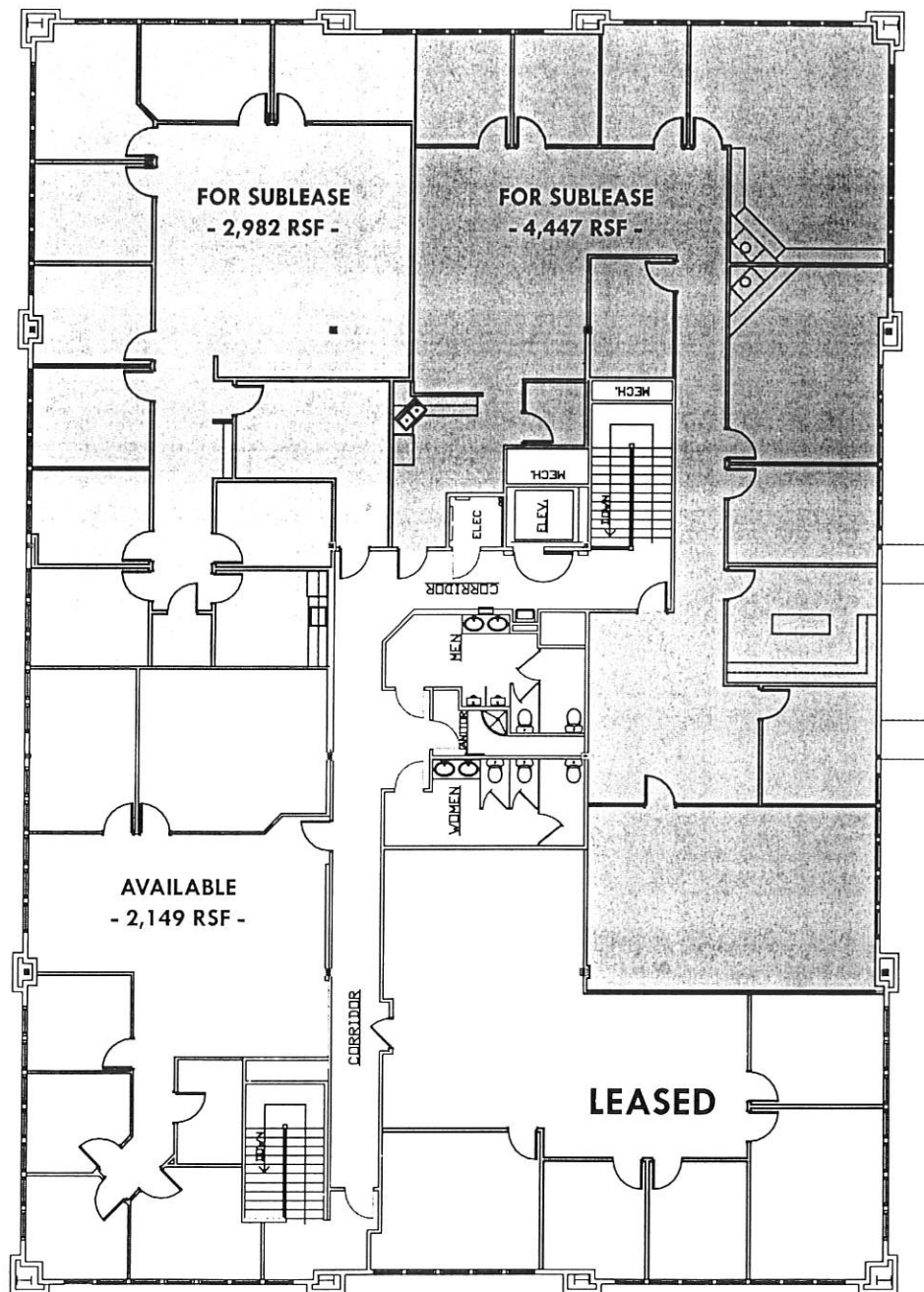
801.947.8300 phone
801.947.8301 fax

Wesley T. Cornelison

wesley.cornelison@coldwellutah.com

FOR LEASE | 6900 SOUTH 900 EAST • SLC, UT

SECOND FLOOR



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**COLDWELL
BANKER
COMMERCIAL**

NRT

6550 South Millrock Drive, Suite 200
Salt Lake City, Utah 84121
www.coldwellutah.com

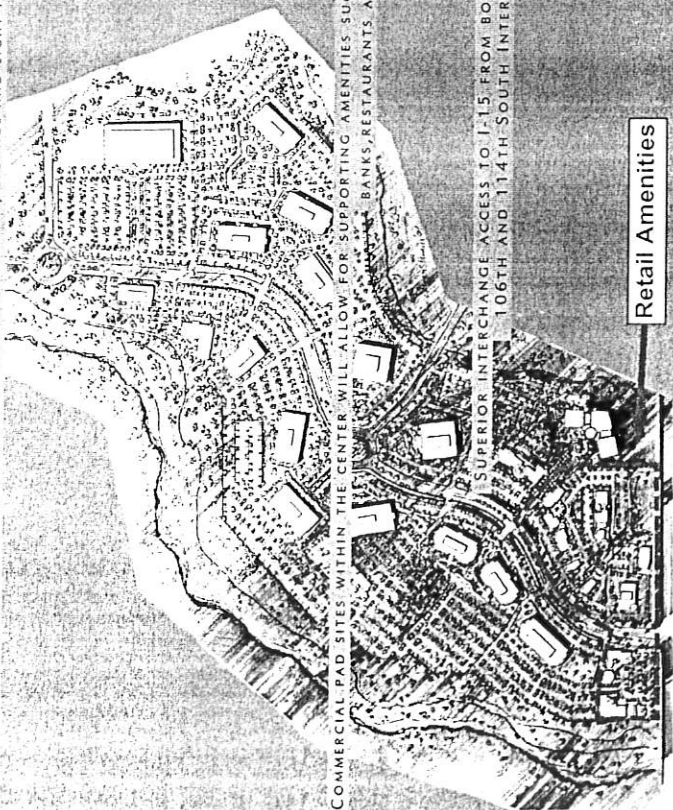
CONTACT INFORMATION

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lora.munson@coldwellutah.com

Wesley T. Cornelison
wesley.cornelison@coldwellutah.com

801.947.8300 phone
801.947.8301 fax

A 4 LANE ROAD THROUGH THE CENTER WITH DISTINCTIVE WATER, SIGNAGE AND LIGHT FEATURES



COMMERCIAL PAD SITES WITHIN THE CENTER WILL ALLOW FOR SUPPORTING AMENITIES SUCH AS BANKS, RESTAURANTS, HOTELS

SUPERIOR INTERCHANGE ACCESS TO I-15 FROM BOTH 106TH AND 114TH SOUTH INTERCHANGES

Retail Amenities

10600 South



ANOTHER
ARGENT GROUP
DEVELOPMENT



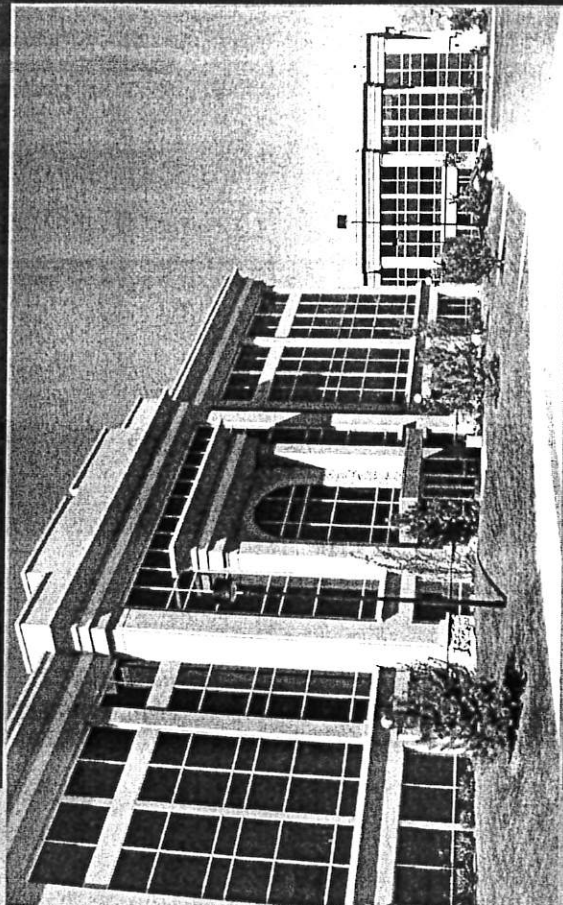
6340 South 3000 East
Suite 200
Salt Lake City, Utah 84121
(801) 947-8300
(801) 947-8301 Fax
Owned and Operated by NRT (not specified)

Brandon D. Fugal
Douglas M. Petty
(801) 947-8300

The information is presented for the condition that all negotiations relating to the purchase or lease of the property described above shall be conducted through this office. The information presented, while not guaranteed, has been verified from sources deemed reliable.



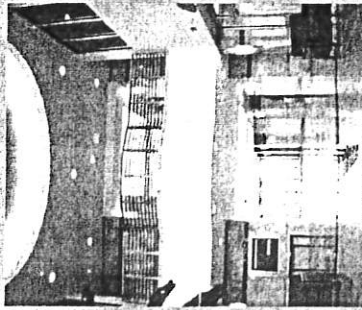
A UNIQUE OPPORTUNITY



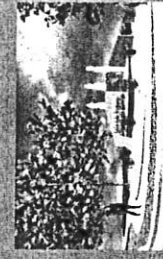
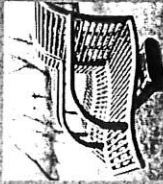
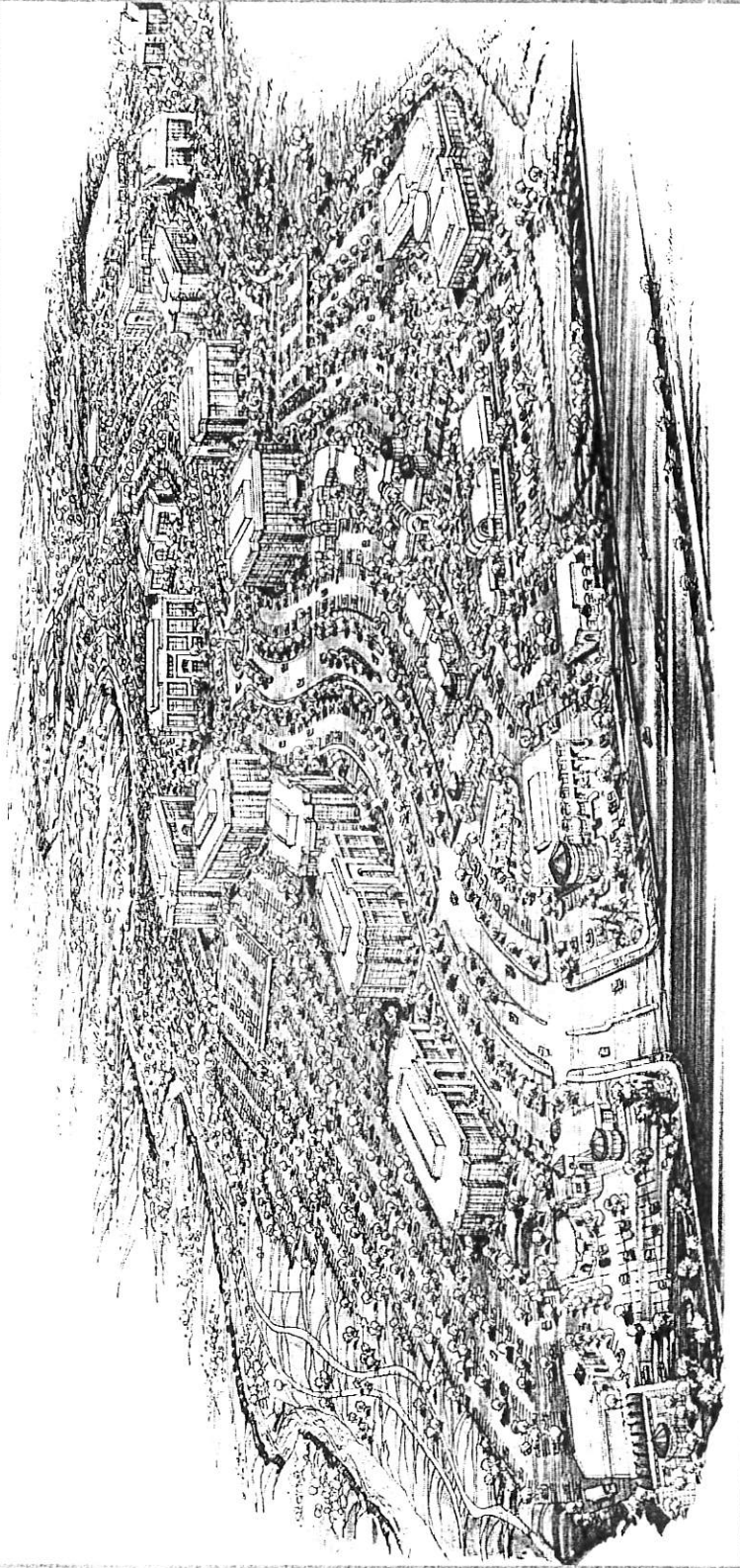
800 WEST AND 10600 SOUTH



IDEALLY LOCATED IN THE RAPIDLY EXPANDING SOUTH VALLEY OF SALT LAKE, BETWEEN HIGH-TECH UTAH COUNTY AND METROPOLITAN SALT LAKE CITY



Forward thinking and adaptability define RiverPark Corporate Center, a 1.7 million plus square foot, 120 acre, class A master-planned office campus. RiverPark Corporate Center is strategically located in the South Valley of Salt Lake, between high-tech Utah County and metropolitan Salt Lake City. Convenience characterizes this office park which is serviced by the newly completed 106th South 1-15 interchange. A one million square foot regional mall, over 50 restaurants, 2000 hotel rooms and a 125,000 square foot convention center is less than five minutes from the park. Nearly 85,000 university and college students are within 25 minutes. The Salt Lake International Airport is within 15 minutes. Abundant apartment, condo, mid and luxury homes are within minutes



The infrastructure of the park includes an 86' wide 4 lane road, fiber optics, multiple communications choices and redundant power. Five miles of walking paths meander through the park and a 35-acre city park lies adjacent to the property on the South. Combine all of this with views of the Wasatch Mountain range to the East and Oquirrh to the West and you have RiverPark Corporate Center.

A NATURE PRESERVE AND 35-ACRE PARK ADJACENT TO RIVERPARK

30% OPEN SPACE WILL ASSURE A PARK-LIKE SETTING, AND WILL INCLUDE WALKING, JOGGING, EQUESTRIAN TRAILS AND RECREATION VIEW AREAS

UTAH COUNTIES INSURANCE POOL

Serving Counties Since 1992



Personnel Advisor

What's All This "At Will" Employment Anyway?

Utah is known as an "at will" employment state. There is considerable confusion about what that means about how it applies to our county government. The issue is further confused by terms like "contractual employee." Let's try briefly, to demystify these terms, describe the legal climate surrounding "at will" employment and give you some help in protecting your county. Ostensibly, "at will" means what it says, employees may be terminated at the will and pleasure of the employer. However...

[More Details](#)

January 2006



Employees seem to get younger every year

Personnel Workshop

The Personnel Committee has Announced that the UCIP 2006 Personnel Workshop will be held May 18-19 at Ruby's Inn in Bryce Canyon. All supervisors are invited to attend. Cost is \$50 per attendee.

[More Details](#)

To remove your name from our mailing list, please [click here](#).
Questions or comments? E-mail us at mwbrady@ucip.utah.gov or call 801.293-3098

Risk Management Update

New Risk Management/ Workers Comp Programs

JANUARY, 2006

Utah Counties Insurance Pool has unveiled its 2006 versions of the Risk management Program (RMP) and the Workers Compensation Loss Control Program (LCP). Copies of the programs will be sent to the Insurance Coordinator for each member county. The RMP is very similar to last years program but some changes have been incorporated due to input from the UCIP Personnel Committee's December 1 Meeting.

[More Details](#)

10th circuit update: Records foil retaliation claim.

The 10th Circuit Court of appeals recently denied an employee's claim of retaliation after she had made a claim of harassment and sometime later was discharged after a series of poor performance evaluations. The employee claimed that evaluations were mere pre-textual. The Court however, found that there was no evidence linking the harassment claim to the firing. Boynton v. Western Wyoming Com. Coll.

[More Details](#)



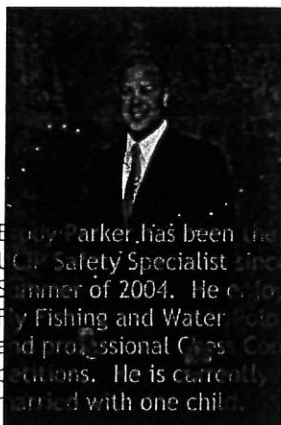
Korby Siggard, Claims Manager has indeed let his hair down!

2006 Workshops Announced

Facilities Management Conference will be held **February 23**, at the Utah County Health and Justice Bldg in Provo.

Planning and Zoning Conference will be held **April 6**, also at the Health and Justice bldg.

Workers' Comp Corner: Don't Skip Over Slips and Trips



Brady Parker has been the UCIP Safety Specialist since Summer of 2004. He enjoys Fly Fishing and Water polo and professional Copee Competitions. He is currently married with one child.

Yep, Slips trips and falls are still the leading cause of injuries to employees in the workplace. According to UCIP loss records, slips and falls contribute to more than 40% of the frequency of claims and nearly 45% of the losses.

[More Details](#)

LAW ENFORCEMENT LIABILITY

Courtroom Security

JANUARY 2006

A frequently overlooked area of security concern is the Courtroom. Sheriff's Offices are well aware that courtrooms are under-protected as recent incidents in Atlanta and Seattle bear out. Just last year a pre-trial detainee in Atlanta escaped custody and obtained a weapon—killing four people. Also, in Seattle, a disgruntled court patron tried to enter a court facility while claiming he had a bomb. The patron was shot and killed.

[More Details](#)

**4TH DISTRICT COURT, OREM
DIVISION**

Illegal Search May Violate Constitutional Rights

The 10th Circuit Court of Appeals reversed a district court ruling granting summary judgment in a case where law enforcement officers went to a motel room claiming to be maintenance workers. When the suspect came to the door the officers forced their way into the room absent consent and with no indication of exigent circumstances. [Butler v. Compton](#)

[More Details](#)

2006 Personnel Workshop Announced

The Personnel Committee has Announced that the UCIP 2006 Personnel Workshop will be held May 18-19 at Ruby's Inn in Bryce Canyon. All law enforcement supervisors are invited to attend. Cost is \$50 per attendee.

[More Details](#)

CEO REPORT

Report Date: December 15, 2005

Period covered by report: from November 10 to December 15, 2005

BOARD INFORMATION ITEMS

1. I have attached a list of Board training opportunities for 2006.

COMMITTEE MEETINGS

1. Litigation Management Committee met on December 14.

MARKETING

1. Workers' Compensation quote delivered to Box Elder County. WCF retained the account by quoting about 14% below UCIP.
2. Health Insurance enrollments conducted at Beaver and Juab Counties. Enrollments at Sevier and Millard to be finalized December 16. PEHP agreed to a 1% credit for UCIP members against the ULGT premium.
3. The Association of Conservation Districts has inquired if UCIP would be willing to provide coverage to the districts in Utah.

CLAIMS

1. Workers' Compensation claims report is attached. Page one summarizes all claims for 2005 to date. Page two has all claims for all years. Gross claims development through the first eleven months of 2005 is \$1,197,932, of which \$600,000 is for the fire chief killed in Juab County. UCIP's exposure is \$300,000 of the \$600,000. Excluding this loss, the 2005 experience continues to compare favorably with the experience of 2004. On net premium of \$1,358,187, of which \$1,245,005 would have been earned as of November 30, the loss ratio would be 72%.

2. Multiline claims report is attached.

In the current multiline accident year, we have incurred losses of \$2,034,052, less the Box Elder recoverable of \$376,416, making net incurred to UCIP of \$1,657,636 through the first eleven months of the year. On an annual net premium of \$3,140,000, of which \$2,878,333 would have been earned through November 30, the loss ratio is 57.6%.

We will have a review of large claims in the closed session.

2006 BOARD TRAINING OPPORTUNITIES

AGRIP Spring Conference

March 6 -8, 2006

Tampa, FL

Grand Hyatt Tampa Bay

Eighth Annual AGRIP Pooling Track

Held at Prima's Annual Conference

June 12-14, 2006

Las Vegas, NV

Paris Las Vegas Hotel

AGRIP Governance And Leadership Conference

October 9 -11, 2006

New York City, NY

New York Marriott Marquis

UTAH COUNTIES INSURANCE POOL
Multiline Claims Report
YTD as of 11/30/05

COUNTY	PREMIUM	NUMBER of CLAIMS YTD		TOTAL PAID	TOTAL RESERVES	TOTAL INCURRED	LOSS RATIO
		Open	Closed				
Beaver	\$60,785	1	3	\$3,153	\$30,000	\$33,153	54.54%
Box Elder	\$164,995	4	8	\$550,104	\$105,957	\$656,060	397.62%
Cache	\$198,563	8	7	\$62,465	\$63,466	\$125,930	63.42%
Carbon	\$137,757	2	3	\$8,045	\$7,000	\$15,045	10.92%
Daggett	\$40,545	0	3	\$35,197	\$0	\$35,197	86.81%
Davis	\$367,700	4	24	\$42,639	\$12,380	\$55,019	14.96%
Duchesne	\$119,255	0	3	\$30,695	\$0	\$30,695	25.74%
Emery	\$158,062	1	6	\$10,880	\$5,000	\$15,880	10.05%
Garfield	\$59,922	1	7	\$9,763	\$15,206	\$24,968	41.67%
Grand	\$91,290	0	1	\$2,419	\$0	\$2,419	2.65%
Iron	\$153,363	1	5	\$2,498	\$30,000	\$32,498	21.19%
Juab	\$107,247	0	4	\$8,896	\$0	\$8,896	8.30%
Kane	\$74,072	1	4	\$500	\$1,000	\$1,500	2.03%
Millard	\$138,163	2	4	\$10,585	\$9,026	\$19,611	14.19%
Morgan	\$48,361	0	2	\$880	\$0	\$880	1.82%
Piute	\$22,232	0	0	\$0	\$0	\$0	0.00%
Rich	\$44,226	0	0	\$0	\$0	\$0	0.00%
San Juan	\$149,487	1	5	\$2,784	\$4,000	\$6,784	4.54%
Sanpete	\$61,977	2	6	\$1,145	\$21,000	\$22,145	35.73%
Sevier	\$83,927	4	4	\$1,991	\$42,500	\$44,491	53.01%
Tooele	\$182,679	3	14	\$246,852	\$21,503	\$268,355	146.90%
Uintah	\$187,388	2	12	\$45,785	\$15,129	\$60,914	32.51%
Utah	\$442,324	15	32	\$140,472	\$253,969	\$394,441	89.17%
Wasatch	\$197,895	3	2	\$26,385	\$30,065	\$56,450	28.53%
Washington	\$230,845	3	14	\$30,156	\$3,086	\$33,242	14.40%
Wayne	\$40,409	0	1	\$0	\$300	\$300	0.74%
Weber	\$518,721	10	26	\$26,465	\$44,443	\$70,908	13.67%
Tri-County	\$8,500	0	1	\$16,164	\$0	\$16,164	190%
Weber-Morgan	\$14,810	0	1	\$2,106	\$0	\$2,106	14%
TOTALS	\$4,105,500	68	202	\$1,300,753	\$715,029	\$2,034,052	49.54%

UTAH COUNTIES INSURANCE POOL

Multiline Claims Report

All Years as of 11/30/05

Number of Claims			Total Incurred														
Open	Closed		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total
Beaver	2	75	1,454	2,972	7,397	7,953	30,644	15,356	11,783	28,952	10,862	26,351	5,863	6,906	26,534	33,153	216,257
Box Elder	8	232	7,960	153,460	53,712	51,568	11,367	23,292	10,189	3,262	115,023	48,523	277,398	114,355	24,283	656,060	1,550,692
Cache	13	266	223,764	274,008	140,866	28,527	81,914	35,366	16,318	17,547	93,369	211,886	62,267	76,865	118,862	125,930	1,507,768
Carbon	2	60	0	0	0	0	0	0	121,825	30,953	2,389	355,226	22,243	18,193	6,189	15,045	572,124
Daggett	2	15	0	0	0	0	0	0	0	0	2,337	0	23,500	9,680	57,189	35,197	127,920
Davis	19	649	73,363	256,424	223,267	111,543	243,774	382,198	71,179	148,725	62,674	134,562	130,552	180,466	216,728	55,019	2,291,141
Duchesne	5	146	22,926	76,176	20,774	24,684	13,122	41,632	7,319	76,518	0	49,719	41,242	298,013	39,130	30,695	742,101
Emery	2	103	82,379	32,961	83,281	8,032	29,143	50,376	23,305	7,079	6,044	6,793	12,759	200,526	24,172	15,880	582,834
Garfield	1	39	5,000	938	2,477	33,445	10,104	0	9,873	0	295	0	14,785	11,963	11,640	24,968	125,529
Grand	4	115	6,812	43,012	2,938	2,947	60,804	714	30,145	19,438	48,608	21,713	2,336	182,173	8,620	2,419	432,798
Iron	4	140	911	289,361	128,551	14,643	2,917	8,793	96,256	4,339	19,653	70,042	95,048	101,919	18,121	32,498	883,196
Juab	1	51	0	41,000	67,707	5,631	22,838	17,236	172,902	5,501	16,155	33,471	14,661	140	584	8,896	406,773
Kane	2	61	0	0	7,777	6,992	4,493	0	135,261	4,143	22,024	14,790	28,992	22,578	38,801	1,500	287,413
Millard	3	146	0	2,669	21,738	90,408	40,832	8,821	99,179	22,767	42,468	10,134	40,487	21,171	29,980	19,611	450,415
Morgan	2	12	0	0	0	0	0	0	0	0	0	0	0	0	43,184	880	44,078
Piute	1	4	0	0	0	0	7,174	0	0	0	0	6,875	20,000	0	0	0	34,053
Rich	2	14	777	800	1,630	5,788	1,947	0	10,407	290,000	849	0	480	0	16,000	0	328,694
San Juan	4	154	52,355	21,010	8,957	58,771	19,226	5,522	94,754	40,475	27,928	40,922	4,017	128,676	482,415	6,784	991,970
Sanpete	5	102	79,147	15,711	17,474	117,040	5,299	1,776	2,075	28,068	32,904	17,424	26,932	11,869	1,006	22,145	378,978
Sevier	6	101	7,604	8,879	22,863	7,316	2,837	14,415	16,907	1,530	14,861	2,434	223,746	6,976	41,358	44,941	416,776
Tooele	5	110	42,882	215,726	75,689	29,067	0	0	0	0	0	0	0	0	38,467	268,355	670,301
Uintah	10	191	185,199	39,623	202,953	46,706	61,641	84,256	40,240	61,638	6,349	84,110	407,791	91,945	89,022	60,914	1,462,588
Utah	33	565	154,286	125,687	191,225	152,602	134,502	214,695	301,890	104,271	111,597	370,515	26,186	229,776	296,193	394,441	2,808,463
Wasatch	12	112	15,946	17,620	160,236	53,121	74,388	357,315	3,649	181,369	14,758	32,988	213,249	47,161	70,533	56,450	1,298,905
Washington	11	290	165,231	64,911	112,514	53,944	41,792	7,024	169,317	159,102	14,761	53,525	41,890	335,515	101,028	33,242	1,354,097
Wayne	2	14	1,202	0	202	0	23,831	569	23,849	0	0	0	55,786	644	0	300	106,400
Weber	15	373	0	0	0	0	0	0	39,412	437,888	512,219	532,488	67,585	229,908	475,798	70,908	2,366,594
Bear River	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1,692	0	1,692
Central	0	1	0	0	0	0	0	0	0	0	0	0	0	3,312	0	0	3,312
TriCounty	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	16,164	16,164
Weber-Morgan	0	4	0	0	0	0	0	0	0	0	0	0	0	0	978	2,106	3,088
Total	176	4,147	1,129,196	1,682,947	1,554,228	910,728	924,589	1,269,357	1,508,033	1,673,565	1,178,127	2,124,489	1,859,795	2,330,779	2,278,507	2,034,501	22,463,113

UTAH COUNTIES INSURANCE POOL Multiline Claims Report All Years as of 11/30/05

Premiums																	Loss Ratio
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total			
52,448	59,488	62,415	58,388	59,350	57,972	60,076	62,378	65,378	69,954	68,186	70,907	70,907	60,785	878,651	25%		
147,397	154,421	161,435	171,728	205,051	199,334	192,759	173,386	169,078	167,505	164,987	160,800	163,471	164,995	2,396,347	65%		
141,388	148,126	155,132	182,941	217,715	222,812	217,311	201,590	194,768	194,552	187,070	198,194	211,900	198,563	2,672,062	56%		
						19,538	78,156	77,154	82,555	95,953	111,413	119,539	137,757	722,065	79%		
203,457	213,153	222,835	258,907	281,131	301,205	314,277	323,357	345,992	370,211	431,197	430,230	430,230	367,700	4,493,882	51%		
89,256	93,510	97,757	91,464	95,455	98,610	99,079	99,203	104,173	111,465	114,153	94,179	119,029	119,255	1,426,587	52%		
180,429	189,028	197,613	223,434	227,427	218,543	207,432	190,885	177,523	165,086	158,320	163,980	163,980	158,062	2,621,752	22%		
47,724	49,998	52,269	59,711	64,768	69,109	66,532	62,825	64,368	64,364	64,670	68,171	68,171	59,922	862,602	15%		
74,960	78,532	82,099	86,330	87,925	93,663	92,749	86,681	83,415	81,599	81,159	92,354	92,354	91,290	1,205,110	36%		
101,817	106,669	111,514	130,435	168,363	166,260	159,345	147,452	143,039	140,837	138,724	138,399	151,767	153,363	1,957,984	45%		
	7,091	66,963	76,026	82,413	87,377	86,154	82,601	88,383	94,570	103,685	115,543	121,785	107,247	1,119,838	36%		
30,904	65,070	69,654	65,171	66,234	64,211	61,361	55,592	58,795	62,911	68,292	75,166	80,309	74,072	897,743	32%		
	93,012	97,237	90,977	92,461	94,236	97,684	98,702	105,566	112,956	129,444	145,870	145,870	138,163	1,442,179	31%		
											55,504	55,504	48,361	153,370	28%		
13,802	14,460	15,116	14,144	14,375	15,436	16,688	17,502	18,727	20,038	21,479	24,950	24,950	22,232	235,899	13%		
35,000	36,668	38,333	35,866	36,451	38,797	38,432	36,229	35,251	37,073	36,931	42,009	44,138	44,226	535,464	61%		
85,264	89,327	93,384	106,680	108,595	115,861	120,895	126,700	133,907	143,280	149,915	165,655	165,655	149,487	1,754,605	57%		
72,363	75,812	79,255	90,537	101,226	97,316	92,364	86,520	83,655	80,766	79,315	82,776	82,776	61,977	1,166,657	32%		
70,103	73,444	76,780	71,836	73,007	79,236	74,564	71,331	70,543	73,361	74,030	81,720	84,987	83,927	1,058,870	39%		
161,445	169,139	176,821	203,375									182,679	182,679	1,076,138	62%		
95,690	100,250	104,804	124,631	161,373	172,929	181,084	190,368	182,821	189,386	184,522	184,482	184,482	187,388	2,244,211	65%		
183,749	197,906	207,163	238,272	274,562	303,934	317,837	323,894	346,567	370,827	414,951	466,001	490,563	442,324	4,578,550	61%		
73,708	77,242	80,750	91,302	108,024	116,718	122,586	126,649	125,797	134,603	158,244	178,120	178,120	197,895	1,769,758	73%		
124,196	130,115	136,025	158,044	193,030	195,913	201,767	180,979	176,172	176,543	183,409	234,403	241,739	230,845	2,563,179	53%		
24,441	33,623	35,549	33,261	33,803	36,176	37,696	39,475	40,968	41,209	39,014	40,448	42,293	40,408	518,364	21%		
						131,874	219,831	235,219	251,684	392,513	451,062	451,062	518,721	2,651,967	89%		
											8,979	17,957	17,957	44,893	4%		
											5,393	10,785	10,785	26,963	12%		
											4,629	8,500	8,500	21,629	75%		
											7,405	14,810	14,810	37,025	8%		
2,009,541	2,256,084	2,420,903	2,663,470	2,752,739	2,845,648	3,010,144	3,082,286	3,166,759	3,274,080	3,576,825	3,939,994	4,262,104	4,134,242	43,394,819	52%		

UTAH COUNTIES INSURANCE POOL
Workers' Compensation Report
This Year as of 11/30/05

COUNTY	PREMIUM		NUMBER OF CLAIMS YEAR TO DATE						TOTALS			LOSS RATIO		
	2005		Medical Only			Indemnity			Paid	Reserves	Incurred			
	Open	Closed	Paid	Incurred	Open	Closed	Paid	Incurred					Expense	
Cache	\$96,747	11	19	\$19,207	\$31,324	2	0	\$1,841	\$15,183	\$565	\$21,613	\$25,460	\$47,073	48.66%
Carbon	\$90,781	3	13	\$3,636	\$4,948	0	0	\$0	\$0	\$374	\$4,011	\$1,311	\$5,322	5.86%
Daggett	\$23,010	2	1	\$543	\$1,243	0	0	\$0	\$0	\$32	\$575	\$700	\$1,275	5.54%
Duchesne	\$49,837	0	2	\$771	\$771	0	0	\$0	\$0	\$29	\$800	\$0	\$800	1.61%
Emery	\$49,785	2	5	\$6,047	\$7,547	0	1	\$296	\$296	\$327	\$6,670	\$1,500	\$8,170	16.41%
Garfield	\$27,654	0	3	\$2,744	\$2,744	0	1	\$5,232	\$5,232	\$118	\$8,094	\$0	\$8,094	29.27%
Grand	\$34,619	1	5	\$18,422	\$18,422	0	1	\$2,808	\$2,808	\$1,358	\$22,587	\$0	\$22,587	65.24%
Iron	\$74,232	3	19	\$3,566	\$6,303	0	0	\$0	\$0	\$172	\$3,738	\$2,737	\$6,475	8.72%
Juab	\$22,338	0	1	\$4,941	\$29,548	3	0	\$0	\$626,876	\$6,348	\$11,289	\$651,483	\$662,772	2967.02%
Kane	\$26,694	1	5	\$1,523	\$1,923	0	1	\$2,446	\$2,446	\$19	\$3,989	\$400	\$4,389	16.44%
Millard	\$79,191	2	16	\$8,743	\$10,943	0	0	\$0	\$0	\$708	\$9,450	\$2,200	\$11,650	14.71%
Morgan	\$19,479	1	0	\$40,268	\$47,400	1	0	\$0	\$3,054	\$2,566	\$42,834	\$10,186	\$53,020	272.19%
Piute	\$5,678	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Rich	\$9,129	1	1	\$409	\$5,000	1	0	\$914	\$1,200	\$43	\$1,366	\$4,877	\$6,243	68.39%
San Juan	\$49,540	4	7	\$1,621	\$17,789	2	2	\$1,462	\$8,520	\$48	\$3,131	\$23,227	\$26,358	53.21%
Sanpete	\$21,183	1	0	\$372	\$500	0	0	\$0	\$0	\$11	\$383	\$128	\$511	2.41%
Sevier	\$24,491	2	7	\$1,473	\$11,935	1	1	\$0	\$2,214	\$52	\$1,526	\$12,675	\$14,201	57.98%
Summit	\$83,243	5	14	\$4,287	\$10,787	0	0	\$0	\$0	\$406	\$4,693	\$6,500	\$11,193	13.45%
Tooele	\$97,983	3	14	\$14,490	\$38,404	6	1	\$17,482	\$26,327	\$2,634	\$34,606	\$32,759	\$67,366	68.75%
Uintah	\$93,978	6	12	\$11,588	\$17,342	1	0	\$102	\$242	\$2,087	\$13,776	\$5,894	\$19,670	20.93%
Utah	\$187,031	22	34	\$26,275	\$57,299	4	2	\$3,516	\$10,742	\$2,205	\$31,995	\$38,249	\$70,245	37.56%
Wasatch	\$83,715	2	3	\$312	\$1,512	0	0	\$0	\$0	\$26	\$338	\$1,200	\$1,538	1.84%
Wayne	\$5,719	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Weber	\$370,776	18	42	\$59,772	\$93,168	4	2	\$20,778	\$42,487	\$4,540	\$85,090	\$55,105	\$140,195	37.81%
Wasatch MH	\$24,078	3	1	\$4,107	\$8,300	0	0	\$0	\$0	\$485	\$4,592	\$4,193	\$8,785	0.00%
TOTALS	\$1,650,911	93	224	\$235,115	\$425,150	25	12	\$56,877	\$747,628	\$25,154	\$317,145	\$880,786	\$1,197,932	72.56%

UTAH COUNTIES INSURANCE POOL
Workers' Compensation Report
All Years as of 11/30/05

COUNTY	EFFECTIVE DATE	PREMIUMS		NUMBER of CLAIMS						TOTAL INCURRED		LOSS RATIO		
		2004	2005	Medical Only		Indemnity		2004	2005					
				Open	Closed	Incurred	Paid			Open	Closed		Incurred	Paid
Cache	7/1/2004	\$34,560	\$96,747	11	37	\$66,826	\$50,157	3	37	\$23,474	\$3,642	\$45,729	\$47,073	70.68%
Carbon	1/1/2004	\$90,781	\$90,781	3	30	\$96,436	\$92,542	2	2	\$26,725	\$11,120	\$123,233	\$5,322	70.80%
Daggett	1/1/2004	\$13,232	\$23,010	2	5	\$1,619	\$919	0	0	\$0	\$0	\$436	\$1,275	4.72%
Duchesne	1/1/2004	\$35,820	\$49,837	0	9	\$16,932	\$16,932	0	1	\$1,925	\$1,925	\$18,233	\$800	22.22%
Emery	1/1/2004	\$49,785	\$49,785	2	11	\$39,130	\$35,053	1	2	\$26,892	\$22,249	\$59,654	\$8,170	68.12%
Garfield	1/1/2004	\$22,047	\$27,654	0	9	\$6,125	\$6,125	0	1	\$5,232	\$5,232	\$3,691	\$8,094	23.71%
Grand	1/1/2004	\$25,504	\$34,619	0	13	\$20,772	\$20,772	1	1	\$2,808	\$2,808	\$2,485	\$22,587	41.70%
Iron	1/1/2004	\$62,704	\$74,232	3	40	\$27,917	\$25,180	0	3	\$2,144	\$2,144	\$24,701	\$6,475	22.77%
Juab	1/1/2004	\$23,557	\$22,338	0	6	\$33,379	\$8,771	3	0	\$626,876	\$0	\$4,035	\$662,772	1452.90%
Kane	1/1/2004	\$10,547	\$26,694	1	7	\$2,604	\$2,204	0	1	\$2,446	\$2,446	\$711	\$4,389	13.69%
Millard	1/1/2004	\$54,271	\$79,191	0	28	\$25,683	\$23,483	0	1	\$673	\$673	\$15,786	\$11,650	20.56%
Morgan	1/1/2004	\$14,966	\$19,479	0	3	\$49,770	\$42,638	0	0	\$3,054	\$0	\$2,522	\$53,020	161.25%
Piute	2/1/2004	\$3,800	\$5,678	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	0.00%
Rich	2/1/2004	\$4,085	\$9,129	1	1	\$19,783	\$15,192	1	1	\$1,200	\$914	\$15,371	\$6,243	163.57%
San Juan	1/1/2004	\$26,820	\$49,540	4	25	\$39,722	\$23,554	2	6	\$13,832	\$6,774	\$28,438	\$26,358	71.76%
Sanpete	1/1/2004	\$21,096	\$21,183	1	3	\$41,946	\$35,898	1	0	\$18,346	\$0	\$66,252	\$511	157.91%
Sevier	1/1/2004	\$21,791	\$24,491	2	22	\$33,564	\$23,103	1	4	\$9,530	\$7,316	\$30,901	\$14,201	97.45%
Summit	1/1/2005	\$0	\$83,243	5	14	\$10,787	\$4,287	0	0	\$0	\$0	\$0	\$11,193	13.45%
Tooele	1/1/2005	\$0	\$97,983	3	14	\$38,404	\$14,490	6	1	\$26,327	\$17,482	\$0	\$67,366	68.75%
Uintah	1/1/2004	\$80,020	\$93,978	6	39	\$55,002	\$47,374	2	1	\$5,414	\$3,250	\$45,457	\$19,670	37.43%
Utah	4/1/2004	\$126,850	\$187,031	22	90	\$119,862	\$83,458	5	6	\$27,668	\$15,550	\$84,062	\$70,245	49.16%
Wasatch	1/1/2005	\$0	\$83,715	2	3	\$1,512	\$312	0	0	\$0	\$0	\$0	\$1,538	1.84%
Wayne	1/1/2004	\$5,719	\$5,719	0	1	\$155	\$155	0	0	\$0	\$0	\$158	\$0	1.38%
Weber	6/1/2004	\$178,296	\$370,776	19	85	\$117,812	\$79,277	5	2	\$47,504	\$21,167	\$30,799	\$140,195	31.14%
Wasatch MH	7/1/2005	\$0	\$24,078	3	1	\$8,300	\$4,107	0	0	\$0	\$0	\$0	\$8,785	36.49%
TOTALS		\$906,251	\$1,650,911	90	496	\$874,041	\$655,981	33	70	\$872,071	\$124,693	\$602,654	\$1,197,932	70.41%

**ANNUAL NOTICE OF REGULAR MEETING SCHEDULE OF THE BOARD OF
TRUSTEES OF THE UTAH COUNTIES INSURANCE POOL**

PUBLIC NOTICE is hereby given that the 2006 Annual Meeting schedule of the Board of Trustees of the Utah Counties Insurance Pool is as follows:

Regular meetings of the Board of Trustees of the Utah Counties Insurance Pool will be held on the third Thursday of each month of the year from the hour of 10:00 a.m. until finished, at 5397 South Vine Street, Murray, Utah, unless otherwise listed below or changed by action of a quorum of the Board of Trustees of the Utah Counties Insurance Pool.

TENTATIVE REGULAR MEETING DATES FOR 2005

February 16
April 18, 6:00 p.m.
June 2, 12:00 p.m., Wasatch County
~~August 17, 6:00 p.m., Garfield County~~
October 19
November 16, 6:00 p.m. Washington County
December 21

A regular meeting may be canceled without notice by action of a quorum of the Board of Trustees. When, because of unforeseen circumstances, it is necessary for the Board of Trustees to hold an emergency meeting to consider matters of an emergency or urgent nature, the best notice practicable shall be given. No such emergency meeting of the Board of Trustees shall be held unless an attempt has been made to notify all of the members of the Board of Trustees and there is a majority vote in the affirmative to hold the meeting.

All regular meetings of the Board of Trustees shall be open to the public unless closed by the Board of Trustees in the manner described in §52-4-4, Utah Code Annotated, 1953 as amended, and, for a purpose described in §52-4-5, Utah Code Annotated, 1953 as amended.

ADOPTED AND APPROVED THIS 15 DAY OF December, 2005.

BOARD OF TRUSTEES,
UTAH COUNTIES INSURANCE POOL

DAN R. McCONKIE, President

AGENDA ITEM SUMMARY

Item Description

Approve reinsurance arrangements for 2006

Background, Discussion

A. Liability

2005 = \$545,242 (CRL)

2006 = \$464,768 (CRL)

B. Workers' Compensation

2005 = \$269,022 (CRL)

2006 = \$342,121 (CRL)

C. Property

2005 = \$460,302 (Lloyd's)

2006 = \$504,249 (Affiliated FM)

D. Crime

2005 = \$31,427 (Zurich)

2006 = \$29,224 (Zurich)

Recommendation

Staff recommends approval.

Utah Counties Insurance Pool

2004 Member Coverage Agreement

PART I

A. General Coverage Declarations

1. The Utah Counties Insurance Pool (the “**Pool**”) is a risk sharing arrangement among Utah County Governments. The **Pool** is formed pursuant to the provisions of the Utah Insurance Code, Utah Code Ann. 31A-1-1 et. seq. (1994 & Supp. 1998), the Utah Interlocal Cooperation Act, Utah Code Ann. § 11-13-1 et. seq. (1996 & Supp. 1998) and through the Amended Bylaws and Amended Interlocal Cooperation Agreement signed by its Members. The purposes of the **Pool** are to provide a multiline fund for property and casualty coverages and to assist **Members** in controlling costs by providing specialized governmental risk management services and systems.
2. The purpose of this **Coverage Agreement** is to describe the property and liability coverages provided to its **Named Members**. Some of the coverages, deductibles and limitations are unique to the **Pool** and may not be available elsewhere through private or commercial insurance.
3. It is the intent of the **Pool** to provide the property and liability coverage outlined in this **Coverage Agreement** to each **Member** and those who work for them or on their behalf in accordance with the laws of the State of Utah. This **Coverage Agreement** was created to eliminate misunderstandings regarding coverages; to avoid coverage disputes; to clarify responsibilities during the **Claims** handling process; and to provide the **Members** with a document that easily identifies what is and is not covered.

B. Limits Of Coverage

1. PROPERTY

Coverage:	Property, including building, contents, mobile equipment, EDP, auto physical damage, etc.
Limit:	\$250,150,000 each per Occurrence . This is a combined single limit, per per Occurrence (see Earthquake and Flood exceptions below).
Valuation:	Replacement cost except for vehicles and contractors' equipment, which are ACV (Actual Cash Value).
Auto Physical Damage:	Values included (\$1,000 deductible).
Flood:	Non-Flood Zone A: \$25,150,000 annual aggregate. Flood Zone A: \$2,000,000 excess of NFIP, whether or not the coverage is purchased or maintained.
Earthquake:	\$5,150,000 annual aggregate
Extra Expense:	\$25,150,000 in any one loss Occurrence .
EDP Equipment/Media:	\$24,692,884 in any one loss Occurrence .
EDP Extra Expense:	\$1,400,000 in any one loss Occurrence .
Newly Acquired Property:	\$1,150,000 (90-day reporting requirement)
Valuable Papers:	\$10,681,700 in any one loss Occurrence .
Fine Arts:	\$1,400,000 in any one loss Occurrence .
Accounts Receivable:	\$2,650,000 in any one loss Occurrence .
Mobile Equipment:	\$39,506,895 in any one loss Occurrence .
Debris Removal:	\$5,150,000 or 25% of loss, whichever is less, in any one Occurrence .
Builders Risk:	\$5,150,000 sublimit (actual values must be reported within 90 days).
Increased Cost of Construction:	\$5,150,000 in any one loss Occurrence .
Terrorism:	\$100,000 in any one loss Occurrence .
Maintenance Deductible:	\$500 per per Occurrence (except auto physical damage=\$1000).
Major Property Exclusions (see Coverage Agreement for details):	Asbestos Removal (except as a result of named peril). Trees and Shrubs. Land & Water. Transmission & Distribution Lines (except as noted in the property section of the Coverage Agreement). Street &/or roadways, paved surfaces, bridges.

2. CRIME COVERAGES

Coverage:	Crime and Employee Dishonesty	
Form	Limit	Terms
Money & Securities (in premises)	\$150,000	Each and every loss
	\$150,000	Each and every loss

Money & Securities (out premises)		
Commercial Blanket Bond (including Faithful Performance):	\$150,000	Each and every loss (excludes employees known to have committed fraudulent or dishonest acts).
Depositors Forgery:	\$150,000	Each and every loss
Computer Fraud	\$150,000	Each and every loss
Maintenance Deductible:	\$500	Per occurrence

3. LIABILITY

Coverage:	Third-party liability including Bodily Injury, Property Damage and Personal Injury.	
Form:	Occurrence except for Public Officials Liability which is claims-made	
Coverage Parts	Limit	Terms
General Liability:	\$2,250,000 \$3,250,000	Per o Occurrence Aggregate per Member
Law Enforcement Liability:	\$2,250,000 \$3,250,000	Per o Occurrence Aggregate per Member
Employee Benefits Liability:	\$2,250,000 \$3,250,000	Per o Occurrence Aggregate per Member
Automobile Liability:	\$2,250,000	Per o Occurrence
Public Officials Liability:	\$2,250,000 \$2,250,000	Per o Occurrence Aggregate per Member
Limited Professional Health Care Services	(See Endorsement 4)	
Terrorism:	\$50,000 \$100,000 \$300,000	Per o Occurrence Aggregate per Member Annual Aggregate
Major Liability Exclusions:	Pollution/Contamination/Asbestos/Lead	
	Medical Malpractice (except Limited Professional Health Care Services)	
	Failure to Maintain or Supply water, gas, electric	
	Watercraft (over 26 feet in length)	

PART II GENERAL COVERAGE CONDITIONS

A. Claims Made Policy

1. The Public Officials Errors & Omissions and Employee Benefits Liability sections of this **Coverage Agreement** provide "Claims made" coverage. The coverages provided by those sections are limited generally to **cClaims** first made against the **InsuredPool** while the **Coverage Agreement** is in force or during the Extended Reporting Period. All other coverages provided by this **Coverage Agreement**, including property, auto liability and general liability, are on an **Occurrence** basis.
2. A **Claim** shall be considered as being first made at the earlier of the following times:
 - a. When the **Member** first gives notice in writing to the **Pool's** claims administrator that a **Claim** has been made **against an Insured**, or
 - b. When the **Member** first gives notice in writing to the **Pool's** claims administrator of specific circumstances involving a particular person or entity, which may result in a **Claim**.
2. Upon a **Member** first becoming aware of any act or omission which would reasonably be expected to be the basis of a **Claim** or **sSuit** covered under this **Agreement**, written notice shall be given by the **Member** to the **Pool's** claims administrator as soon as practicable, together with the fullest information obtainable. If a **Claim** is made or a **lawsSuit** is brought against the **Member**, the **Member** shall immediately forward to the **Pool** every demand, notice, summons or other process received by the **Member** or the **Member's** agent.
3. The Public Officials Errors & Omissions and Employee Benefits Liability sections of this coverage **Agreement** apply to a **Claim** only if the **Wrongful Act**, negligent act, or error or omission giving rise to the **Claim** occurred after the retroactive date, if any, shown in the declarations and before the end of the **Agreement** period. Any **Wrongful Act**, negligent act, or error or omission that consists of a series of related acts, errors, or omissions will be deemed to have occurred at the time of the first such act, error, or omission.

B. Contribution Payments

Contributions are determined by the Board of Trustees at each anniversary for the forthcoming period of coverage and are based upon current underwriting information.

C. Territorial Scope

This coverage applies to occurrences worldwide for which suit is brought in the United States or for which **Claims** are settled by the **Pool**.

D. Deductibles

The coverages provided herein are subject to a property deductible of \$500, an **Automobile** physical damage deductible of \$1000 and a crime deductible of \$500 per **Occurrence**. (**Automobile** physical damage is covered under the property section.) The property deductible does not apply to third party auto liability **Claims**.

E. Arbitration

1. In the event the **Insured** and the **Pool** are unable to agree on any matter concerning this **Coverage Agreement**, including but not limited to coverage issues, the dispute shall be resolved through arbitration, not litigation. Either party may issue a written demand for arbitration. The **Insured** and the **Pool** shall agree on the selection of an arbitrator. If they cannot agree within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Each party will pay the attorneys' fees and expenses it incurs and share the expenses of the arbitrator equally. If the **Insured's** claim for coverage is unsuccessful, the **Insured's** portion of the arbitrator's fee is not covered.
2. Both parties shall agree upon the location of the arbitration; if they cannot agree, the selected arbitrator shall determine the location. Local rules as to arbitration procedure and evidence will apply. The arbitrator's decision will be binding and that judgment may be entered in any court of competent jurisdiction.

B. Cancellation/Non-Renewal

1. Any **Member** may withdraw from the **Pool**, at the end of a coverage period after giving the Board timely written notice of such withdrawal, pursuant to a resolution of the **Member's** governing body. Timely written notice of such withdrawal must be provided to the Board no later than the ninetieth day prior to the date the **Member's** coverage would otherwise renew. The Board shall consider a timely written notice of withdrawal to be a final decision unless the notice is withdrawn by the **Member** before the ninetieth day prior to the date the **Member's** coverage would otherwise renew. The Board may at its sole discretion agree to permit an earlier date of withdrawal.
2. A withdrawn **Member** shall lose all voting rights upon the effective date of withdrawal. Any claim of title or interest to any asset of the **Pool**, and any continuing obligation of the **Pool** to the **Member** or of the **Member** to the **Pool**, after the effective date of the **Member's** withdrawal, shall be

consistent with any policy adopted by the Board, and the laws of the State of Utah.

3. A **Member** which fails to pay a premium or any other payment due the Pool shall have its membership in the Pool terminated on the sixtieth day following the due date, unless time for payment is extended by the Board and payment is made within any extended period. A notice of intent to terminate membership for failure to pay a premium shall be mailed to the **Member** at least thirty (30) days prior to the date of termination. A termination of membership under this paragraph shall not be subject to the provisions for notice and/or hearing otherwise provided in this General Coverage Condition F6.
4. Any membership in the **Pool** may be terminated by the Board or the **Members** for failure of the **Member** to carry out any other obligation of the **Member**, subject to the following:
 - a. The **Member** shall receive notice from the Board of the alleged failure and shall be given not less than thirty (30) days in which to cure the alleged failure, along with notice that termination of membership could result if the failure is not so cured.
 - b. The **Member** may request a hearing before and decision by the **Members** on the termination. The request shall be made in writing to the Board at least five days before the end of the period given by the Board to cure the alleged failure. At such hearing, the Board shall present the case for termination of membership and the affected Member may present its case. The affected **Member** shall not be counted in determining the number of votes required, nor shall the representative of such **Member** be entitled to vote on the termination.
5. If no request **for a hearing before the Members** is received pursuant to this General Coverage Condition F6, and if the failure is not cured within the time required by the Board's notice or any extension of such time as the Board may grant, the Board may terminate the membership. The **Member** may request a hearing before, and decision by, the Board on the proposed termination in lieu of a hearing before the **Members**. The request shall be made in writing and received by the Board at least five days before the end of the period given by the Board to cure the alleged failure, and shall be granted if so made.
6. The Board shall provide the **Member** at least ten days prior written notice of the time and place of any requested hearing, and the proposed termination of membership may not take effect until such time after the conclusion of any hearing as the Board or **Members**, as applicable, may set.

7. Termination of membership shall be in addition to any other remedy, which may exist. A **Member** shall lose all voting rights upon termination of its membership. Any claim of title or interest to any asset of the Pool, and any continuing obligation of the Pool to the **Member** or of the **Member** to the **Pool**, after the termination of membership, shall be as determined consistent with the Agreement, any policy adopted by the Board, and the laws of the State of Utah.
8. If the period of limitation relating to the giving of the notice is prohibited or made void by any law, that period is amended to provide the minimum period of limitation provided by law.

G. Claims

1. **Members** must notify the **Pool's** claims administrator as soon as reasonably practicable of an **Occurrence, Wrongful Act, negligent act, error or omission, or other circumstance** that may result in a **Claim**. To the extent possible, notice should include how, when and where the **Occurrence, negligent act, error or omission, or circumstance** took place; the names and addresses of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the **eventOccurrence**. Informing the Pool of an **Occurrence or other circumstance that may result in a Claim** is not notice of a **Claim**.
2. If a **Claim** is received by any **MemberInsured**, the **Member** shall immediately record the specifics of the **Claim** and the date received and shall notify the Pool's claims administrator as soon as practicable.

The **Member and any other involved Insured** shall:

- a. Immediately send the Pool's claims administrator copies of any demands, notices, summonses or legal papers received in connection with the **Claim or Suit**.
- b. Authorize the claims administrator to obtain records and other information.
- c. Cooperate with the Pool and the claims administrator in the investigation, settlement or defense of the **Claim or Suit**.
- d. Assist the Pool, upon its request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which this **Coverage Agreement** may also apply.

- e. Submit at the Pool's expense and as often as the Pool requires to examinations by physicians selected by the Pool, and authorize the Pool to obtain medical reports and other pertinent information.
- 3. No **Member**, or other **Insured** will, except at its own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without the Pool's consent.
- 4. The **Insured** shall promptly take at its own expense, except as otherwise provided in this **Agreement**, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any failure to take such preventative measures shall not constitute a breach of the condition unless the Pool has requested the **Insured** in writing to undertake those preventative measures. Any such expense shall not be recoverable under this **Coverage Agreement**.
- 5. Additionally, to recover for loss to a covered auto or equipment, the **MemberInsured** shall:
 - a. Permit the **Pool** to inspect and appraise the damaged property before its repair or disposition;
 - b. Do what is reasonably necessary after the loss to protect the covered **Auto** from further loss;
 - c. Submit a proof of loss when required by the **Pool**; and
 - d. Promptly notify the appropriate local law enforcement agency if the **Automobile** or piece of equipment was stolen.
 - e. Agree to examinations under oath at the Pool's request and give the Pool a signed statement of answers.

H. Due Diligence

The **Insured** shall use due diligence and concur in doing all things reasonably practical to avoid or diminish any loss of or damage to the property insured.

I. Inspections, Audits and Verification of Values

The Pool or its authorized representatives may inspect the premises used by the **MembersInsured** and audit the **Member'sInsured's** books or records at any time during the term of this **Agreement** or within three years after its expiration or termination. There is no time limit for auditing the **Member'sInsured's** books or records with respect to **Claims** under this **Agreement**.

J. Mortgage

The interest of any mortgagor on property covered by this **Agreement** is included as if a separate endorsement were attached hereto to the extent of the amount of the mortgage as of the date of loss, subject to the limits of liability set forth in this **Agreement**.

K. Other Insurance

If the **Insured** has other insurance against loss or damage covered under this **Agreement**, the Pool is liable under the terms of this **Agreement** only as excess of coverage provided by another insurance policy. However, this clause does not apply to the **insurance or coverage purchased to apply specifically in** ~~purchase of excess insurance or reinsurance above the excess of the~~ limits of insurance stated in this **Coverage Agreement**.

L. Subrogation, Salvage and Recovery

The **Pool** shall be subrogated to all rights which the **Insured** may have against any person or other entity in respect to any **Claim** or payment made under this **Coverage Agreement** and the **Insured** shall execute all papers required by the **Pool** and shall cooperate with the **Pool** to secure the **Pool's** rights. If any reimbursement is obtained, or salvage or recovery made by the **Insured** or the **Pool** on account of any loss covered by the **Pool**, the net amount of such reimbursement salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:

1. To the amount of loss which has been paid by the excess/reinsurer.
2. To reduce the **Pool's** loss until the **Pool** is fully reimbursed.
3. To reduce the **Insured's** loss because of the application of the self-insured retention or any aggregate loss fund.

M. Fraudulent Claims

If an **Insured** makes a **Claim** knowing the **Claim** to be false or fraudulent, in regard to the **Claim's** amount or otherwise, coverage shall become void and the **Claim** shall be forfeited.

N. Extended Reporting Period

1. The extended reporting period for **Claims** covered by the Public Officials Errors & Omissions and **Employee Benefits Liability** portions of this **Agreement** is automatically provided without additional charge. This period starts with the end of the period of insurance and extends for 60 days. In the event of non-renewal of this **Agreement** by the **Pool** or the **Member**, the **Member**, upon payment of an additional contribution of not more than 100% of the total expiring premium, shall have the right to extend the period in which a **Claim** may be made by the **Member** against

the Pool for a period of up to 24 months after the expiration date of this **Agreement**.

2. The extended reporting period does not extend the coverage period or change the scope of the coverage provided. The extended reporting period applies only to **Wrongful Acts**, negligent acts, errors, or omissions committed before the end of the **Agreement** period. The extended reporting period does not reinstate or increase the Limits of Coverage.
3. The extended reporting period does not apply to **Claims** that are covered under any subsequent insurance applicable to this **Coverage Agreement** which a **Member** purchases or that would have been covered but for exhaustion of the amount of insurance applicable to those **Claims**.

O. Cross Liability

1. In the event of liability being incurred by reason of injury suffered by any employee of one **Member** which does not arise out of the injured employee's employment, for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.
2. In the event of liability being incurred by reason of **Property Damage** to **Property** belonging to any **Member** for which another **Member** is liable, then this **Agreement** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.
3. Nothing contained in this condition shall operate to:
 - a. Increase the **Pool's** limits of liability; or
 - b. Include coverage for a **Member** who sustains **Property Damage** as a consequence of its own employee's acts.

H. Multiple Claims or Claimants

1. Inclusion herein of more than one **Member**, ~~or Named Member~~ **or Insured** or the making of more than one claim or the bringing of suits by more than one person or organization shall not operate to increase Limits of Coverage.
2. Two or more **cClaims** arising out of a single ~~wWrongful aAct~~ or series of related wrongful acts shall be treated as a single **cClaim**. All such **cClaims**, whenever made, shall be considered first made during the coverage period, or extended reporting period if purchased, in which the earliest **cClaim** arising out of such ~~wWrongful aAct~~ or related ~~wWrongful aActs~~ was first made and all such **cClaims** shall be subject to the same Limits of Coverage.

PART III GENERAL COVERAGE EXCLUSIONS

The following exclusions apply to all coverages described in this **Agreement**. This **Agreement** does not provide coverage for:

- A. Loss, damage or any type of liability caused by or resulting from fraudulent or dishonest acts committed by the **Insured**, whether working alone or with others, except as provided in the Crime Coverages herein.
- B. Expenses from any cost, civil fine, penalty or expense against any **Insured** for any compliance or enforcement action from any federal, state or local governmental regulatory agency.
- C. Any liability arising out of either the operations of a hospital or the medical malpractice of any physician, medical doctor, osteopath, chiropractor, resident, extern or intern; psychiatrist; pharmacist; dentist, orthodontist, or periodontist.
- D. Workers' compensation, employers' liability and occupational disease.
- E. Claims arising for declaratory or injunctive relief.
- F. **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever to the property of the **Member** due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- G. Any act of terrorism meaning any act or threatened act that is violent, forceful or in any way dangerous to persons or **Property** (tangible or intangible), of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes which may include the intention to influence any government and/or to put the public, or any section of the public, in fear (see sublimits available in Part I B. Limits of Coverage, 1. Property and 3. Liability). This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to paragraphs A and B above.
- H. **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the release, discharge or dispersal of **Pollutants** anywhere, anytime in any way, whether accidental or intentional, sudden, intermittent or continuous and

regardless of ownership or location, EXCEPT this exclusion does not apply as provided in the Liability Section for **Bodily Injury** or **Property Damage** arising out of heat, smoke or fumes from a hostile fire.

- I. **Bodily Injury, Personal Injury, Property Damage** or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead in any form, except as covered in the Property Section.
- J. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, contamination, rust, wet or dry rot, mold, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation.
- K. Loss of or damage to or **Claims** resulting from the maintenance, operation or use ~~or entrustment to others~~ of any satellite, aircraft, ~~or of water craft~~ over 26 feet in length ~~or watercraft used to carry persons or property for a charge~~. This exclusion applies even if the **Claims** against any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.
- L. Loss of or damage to jewelry, precious stones and furs or garments trimmed with fur.
- M. **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever for any **Claims** made or lawsuits brought against any **Insured** alleging physical or sexual assault, abuse, molestation or habitual neglect. This exclusion applies whether the act was committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent.
 - 1. However, the **Insured** may be entitled to a defense and the payment of **Claims** expenses for civil **Claims** brought against the **Insured** as provided under the terms of this **Agreement** if the lawsuit is brought for alleged civil rights violations in addition to physical or sexual assault, abuse, molestation or habitual neglect. The **Pool** may provide for the defense of the **Claim** unless or until a judgment or final adjudication of liability is established or there is an admission by the **Insured** accused of the act that establishes the injury claimed in the suit in whole or in part.
 - 2. The **Pool** shall not be required to appeal a judgment or final adjudication that is adverse to the **Insured**. However, if the **Insured** elects to appeal the judgment or final adjudication and the judgment or adjudication is reversed on the issue of liability, the **Pool** may then reimburse the **Insured** for all reasonable expenses incurred in the appeals process.

3. This exclusion applies even if the **Claims** against any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**.

N. Any Claim or Claims for Bodily Injury or Personal Injury relating to:

1. Human Immune Deficiency Virus (HIV);
2. Acquired Immune Deficiency Syndrome Related Complex (ARC);
3. Acquired Immune Deficiency Syndrome (AIDS);
4. Any virus, complex or syndrome that is related to the foregoing;

EXCEPT this exclusion does not apply to any actual or alleged discrimination based on the actual or alleged contraction of any of the foregoing as covered under Part VII B. 2. b. Errors and Omissions.

O. Any Claim based upon the Insured's failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations.

P. Bodily Injury, Personal Injury, Property Damage or any type of damage whatsoever resulting from nuclear incidents, including:

1. Loss or damage to property of the **Member** or liability from **Property Damage, Bodily Injury or Personal Injury** accruing to the **Insured** directly or indirectly from any and all forms of radioactive contamination;
2. Any loss or damage to property of the **Insured** or liability from **Property Damage, Bodily Injury or Personal Injury** accruing to the **Insured** directly or indirectly from any pool of insurers or reinsurers formed for the purpose of covering atomic or nuclear energy risks;
3. Any loss or liability accruing to the **Insured**, directly or indirectly, for physical damage of property of the **Insured** including Business Interruption or consequential loss arising out of such physical damage, in addition to **Property Damage, Bodily Injury or Personal Injury** due to nuclear reactor power plants, any nuclear material or the dispersal, discharge, storage or processing of nuclear material, nuclear facilities, installations, laboratories or special nuclear material, as defined by the Atomic Energy Act of 1954 as amended;
4. Any loss or damage or liability resulting from the hazardous properties of nuclear material and with respect to which any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 as amended, or if the **Insured** is or, had this Agreement not been issued, would be entitled to indemnity from the United States of America or any agency thereof.
5. Definitions used in this exclusion:

- a. "Hazardous properties" means radioactive, toxic or explosive properties.
- b. "Nuclear materials" means source material, special nuclear material, byproduct material and have the meanings given them in the Atomic Energy Act of 1954, as amended.
- c. "Spent nuclear fuel" means any fuel element or fuel component, solid or liquid, which has been used, or to radiation in a nuclear reactor.
- d. "Waste" means any waste material which contains byproduct material from any ore processed primarily for its source material content and which results from the operation by any person or organization of any nuclear facility.
- e. "Nuclear facility" means any nuclear reactor, any equipment or device designed or used for separating the isotopes of uranium or plutonium or processing or utilizing spent fuel, or handling, processing or packaging waste. Nuclear facility also means any equipment or device used for the processing, fabricating or alloying of special nuclear material and any structure, basin, excavation, premises or place prepared or used for the storage of waste and the site and all operations on that site.

- Q.** To any **eClaims** arising in whole or in part out of any **Sexual Abuse**, either performed or alleged to have been performed by an **Insured Member**. Claims of **Sexual Harassment** are covered under this **Agreement** unless the claim also arises out of **Sexual Abuse**.
- R.** Any **Bodily Injury, Personal Injury, Property Damage** or any type of damage whatsoever to the **Property** of the **Member** arising out of search and rescue operations, unless endorsed hereon.
- S.** **Land Use Proceedings.** This **Coverage Agreement** does not cover any **Claims** or **Suits** arising out of the operation of the principles of eminent domain, condemnation proceedings, inverse condemnation proceedings, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into, by or on behalf of the **Member**. **Claims** or **Suits** alleging civil rights violations arising out of any of these listed proceedings are also excluded. Liability coverage under this Coverage Agreement is provided for monetary **Damages** arising from a decision by the **Member** or its officers, agents or **Employees** to issue or not issue building or construction permits, certificates of occupancy, business licenses, alcoholic beverage licenses or other permits and licenses that the **Member** is authorized by law to issue.
- T.** This **Agreement** does not provide coverage for:

1. Any **Personal Injury** or **Law Enforcement Personal Injury** caused by or at the direction of the **Insured** with the knowledge that the action would violate the rights of another and would inflict **Personal Injury** or **Law Enforcement Personal Injury**;
2. Any **Personal Injury** or **Law Enforcement Personal Injury** arising out of oral or written publication of material whose first publication took place before the beginning of the **Agreement** period; or
3. Any **Personal Injury** or **Law Enforcement Personal Injury** arising out of oral or written publication of material, if done by or at the direction of the **Insured** with knowledge of its falsity.

PART III GENERAL DEFINITIONS

"Accident" is descriptive of means which produce effects which are not their natural and probable consequences.

This **"Agreement"** or this **"Coverage Agreement"** means the **Coverage Agreement** created to describe the property and liability coverages provided to the **Members** of the **Pool**.

"Automobile" or **"Auto"** means any motor vehicle intended or designed for highway use, and trailers or semi-trailers, including their equipment and any other equipment permanently attached to it, but **Automobile** does not include **Mobile Equipment**. However, self-propelled vehicles with the following types of permanently attached equipment are considered **Automobiles**: equipment designed primarily for snow removal; equipment designed for road maintenance but not construction or resurfacing; and equipment designed for street cleaning; cherry pickers and similar devices mounted on an automobile or truck chassis and used to raise or lowers workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

"Bodily Injury" means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury. **Bodily Injury** also includes battery and incidental medical malpractice.

"Claim" is an allegation of damage for which an **Insured** seeks coverage from the **Pool**.

"Contamination" means any unclean, unsafe, damaging, injurious or unhealthy condition arising out of the presence of **Pollutants**, whether permanent or transient in any environment.

"Damages" include jury awards, settlements, attorney's fees and costs, but do not include back pay, overtime pay or other benefits that are routinely paid by a **Member** to its employees.

"Earthquake" means seismic geologic activity which causes movement in the earth's surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss. If more than one earthquake shock occurs within any period of 72 hours during the term of this insurance, it is deemed to be a single earthquake **Occurrence**.

"Employee Benefit Programs" means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers' compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

“Employment Related Practices” means:

1. Refusal to employ;
2. Termination of employment;
3. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, reassignment, discipline, harassment (other than sexual harassment), civil rights and discrimination;
4. Any act relating to the selection, supervision or dismissal of any employee.

“Environment” includes any person, any real or personal property, animals, crops and vegetation, land including land under which a building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including but not limited to any of the above that is owned, controlled or occupied by a **Member**.

“Flood and Surface Water” means waves, tide or tidal water and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, streams, harbors and similar bodies of water.

“Insured” means a **Member**. **“Insured”** also includes any past, present or future officials; members of boards or commissions, trustees or directors; officers, volunteers authorized to act on behalf of the county or employees of the **Member** while acting within the scope of their duties as such, and any person, organization, trustee or estate to whom the **Member** is obligated by virtue of a written contract or agreement to provide insurance such as is outlined in this **Coverage Agreement**, but only in respect of operations by or on behalf of the **Member**.

“Law Enforcement Activities” means the activities of any **Insured** while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer of the **Member**, provided that the volunteer has been authorized to act on behalf of the **Member**.

“Law Enforcement Personal Injury” means injury, other than **“Bodily Injury”**, arising out of **Law Enforcement Activity** and one or more of the following offenses:

1. Assault and battery;
2. Discrimination, unless insurance thereof is prohibited by law;
3. False arrest, detention or imprisonment;

4. Malicious prosecution;
5. False or improper service of process;
6. Humiliation or mental distress;
7. Oral or written publication of material that slanders or libels a person or organization;
8. Violation of civil rights protected under 42 U.S.C. 1981 et. seq. or state law;
9. Violation of property rights;
10. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.

“Medical Payments” means reasonable expenses for first aid at the time of an **Accident**, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.

“Member” or **“Named Member”** means each of the Counties named in Endorsement 1 and 2 of this **Coverage Agreement**.

“Mobile Equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises the **Member** owns or rents;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration,

lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers;

6. Vehicles not described above which are maintained primarily for purposes other than the transportation of persons or cargo.

“Money” means currency, coins, bank notes and bullion, and traveler’s checks, register checks and money orders held for sale to the public.

“Occurrence” means an **Accident**, which results in **Bodily Injury, Personal Injury or Property Damage** during the **Agreement** period. Continuous or repeated exposure to substantially the same general harmful conditions shall be deemed one **Occurrence**. **All Bodily Injury, Personal Injury or Property Damage attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one Occurrence, irrespective of the period of time or area over which such losses occur.** There may be multiple **Claims** or claimants involved in one **Occurrence**, however only one deductible applies per **Occurrence**.

“Personal Injury” means mental anguish, shock, sickness, disease, disability or wrongful eviction arising out of malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character; also piracy and any infringement of copyright or of property, erroneous service of civil papers, and assault and battery. **Personal Injury** also means false arrest, false imprisonment, detention and violation of civil rights. However, **Personal Injury** does not apply to **Claims** arising out of **Law Enforcement Activities**.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, sounds, alkalis, chemicals, liquids, solids, gases, thermal pollutants, waste and all other irritants or contaminants. **“Waste”** includes materials to be recycled, reconditioned or reclaimed. However, for purposes of the general liability coverages provided in this agreement, **“Pollutants”** does not include herbicides or pesticides.

The **“Pool”** means the Utah Counties Insurance Pool.

“Premises” means the interior of that portion of a building, which is occupied by the **Member** for business operations.

“Property” or **“Property of the Named Member”** means all real and personal property, including leasehold improvements or betterments which the **Member** owns, property which the **Member** holds on consignment or agrees to cover by any contractual agreement normal to its operations, and the **Member’s** own property in the course of construction, repair or renovation.

“Property Damage” means direct damage to or destruction or loss of tangible property, including all resulting loss of use of property. This definition applies to Sections **VII** and **VIII** of this **Agreement**. **Property Damage** excludes damage to the property owned by

the **Member** but includes damage to property of others in the care, custody or control of the **Member** or property purchased by the **Member** under a contract which provides that the title remain with the sellers until payments are completed, in which case the **Pool's** liability is limited to the amount of payments outstanding.

"Securities" means all negotiable instruments or contracts representing either money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include money.

"Sexual Abuse" means any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. **Sexual Abuse** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse** does not include **Sexual Harassment**.

"Sexual Harassment" means "Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment" (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

"Ultimate Net Loss" means the total sum that the **Insured** becomes obligated to pay by reason of any **Claim**, either through adjudication or settlement, after making proper deductions for all recoveries and salvages. The term includes hospital, medical and funeral charges and all sums paid as fees, charges and legal costs, premiums on attachment or appeal bonds, interest, expenses for doctors, lawyers, nurses and investigators, and for litigation, settlement, adjustment and investigation of **Claims** and lawsuits which are paid as a consequence of any **Occurrence** covered by the **Pool**. Fees paid to the third party administrator are specifically excluded from this definition. The **Pool** does not pay for any claim for front pay, back pay or other incidents of compensation or benefits due to a Member's employees.

"Wrongful Act" means any actual or alleged error or misstatement, omission, act of neglect or breach of duty including employment related practices, discrimination and violations of civil rights by the **Insured**. If a **Claim** is made that involves a series of related **Wrongful Acts**, the **Claim** date shall be the date when the first of the related **Claims** was made. Only one deductible and one self-insured retention shall apply.

PART V PROPERTY COVERAGE SECTION

A. Coverage Agreements

1. Buildings and Contents

The **Pool** agrees, subject to limitations, terms and conditions of this **Agreement**, to indemnify the **Named Member** for all **direct** physical loss or damage to all real or personal **Property** of every kind and description, wherever located, which occurs during the **Agreement** Period.

2. Automobile and Mobile Equipment Physical Damage

The **Pool** agrees, subject to the limitations, terms and conditions of this **Agreement**, to indemnify the **Member** for loss or damage to **Automobiles** and **Mobile Equipment** owned by the **Member** or for which the **Member** has an obligation to provide coverage, wherever located, against all risks of direct physical loss or damage including the collision of an **Automobile** with another object.

3. ~~Crime Coverage~~

~~The **Pool** will indemnify **Members** for losses of **Money** and **Securities**, losses caused by forgery and alteration and losses caused by employee dishonesty under the terms and conditions set out in this section.~~

B. Conditions of Coverage

1. Valuation

On buildings, structures and general contents, the **Pool** shall not be liable for loss or damage in excess of the cost, as of the date of loss, of replacement of the ~~damaged or destroyed~~ property **that has sustained loss or damage** in a new condition with materials of like size, kind and quality, all subject to the following conditions:

- a. If the ~~damaged or destroyed~~ property is not repaired, rebuilt or replaced on the same or another site within two years after the loss or damage, the **Pool** shall not be liable for more than the actual cash value as of the date of loss (ascertained with proper depreciation) of the property destroyed.

- b. Except as provided in subsection 3., the total liability of the **Pool** under this **Agreement** for loss to **Property** shall not exceed the lesser of the following:
 - (i) The cost to repair;
 - (ii) The cost to rebuild or replace, all as of the date of loss, on the same site, with new materials of a like size, kind and quality;
 - (iii) The actual expenditure incurred in rebuilding, repairing or replacing on the same or another site; or
 - (iv) The **Member's** stated value listed on the property schedule;
 - (v) The applicable Limit of Coverage shown in the declarations for any one **Occurrence**.
- c. If the **Pool** and the **Member** disagree on the value of the **Property** or the amount of loss, either may make a written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree on an umpire, either may request that a judge of a court having jurisdiction select the umpire. The appraisers will separately state the value of the **Property** and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and bear the other expenses of the appraisal and umpire equally. If there is an appraisal, the **Pool** still retains the right to deny the **Claim**.
- d. A **Member** may provide for the increased value of an historical building, but only by completing the following steps prior to loss:
 - (i) Provide written notice of the intention to cover the **Property** for restoration cost instead of replacement cost;
 - (ii) Include a proper description of the building and the desired limits of coverage for the **Property**; and
 - (iii) Provide an appraisal supporting the reported value.

2. Debris Removal

- a. This **Agreement** covers the expense of removal from the premises of debris of the covered **Property** remaining after any covered

loss, including the expense of removal of any foundations, if damaged or unusable.

- b. Covered expenses for debris removal are as follows:
 - (i) Expenses incurred in removal from the premises of the **Member** of debris of the covered **Property** that sustained loss or damage; and
 - (ii) The cost of clean up at the premises made necessary as result of the loss or damage.
- b. The most the **Pool** will pay for debris removal is the lesser of:
 - (i) 25% of the sum of the deductible, if any, and the amount that the **Pool** pays for direct physical loss or damage to the covered **Property**; or
 - (ii) Any applicable Limit of Coverage for debris removal stated in the Declarations.
- c. It is a condition precedent to recovery of debris removal expenses that the **Pool** shall have paid or agreed to pay for direct physical loss or damage to covered **Property** and that the **Member** shall give notice to the **Pool** of the intent to file a **Claim** for cost of removal of debris NO LATER THAN 12 MONTHS AFTER THE DATE OF SUCH PHYSICAL LOSS OR DAMAGE.

3. Removal Clause

This **Agreement** covers the expense and **any loss or** damage to property removed from the premises, which results from the property being endangered by the perils covered against.

4. Architect's and Engineer's Fees

Fees are limited to a maximum of seven percent of the repair or replacement cost of damaged property whichever is less.

5. **Civil Authority Clause**

Notwithstanding anything contained in this **Agreement**, **Property** which is insured under this **Agreement** is also covered against the risk of damage or destruction by civil authority during a fire and for the purpose of retarding the same; provided that neither the fire nor its damage or destruction is caused or contributed to by war, invasion, revolution, rebellion insurrection or other hostilities or warlike operations **and the fire would otherwise be covered by this Coverage Agreement.**

6. **Ordinance Deficiency Clause**

Notwithstanding anything contained herein to the contrary, the **Pool** shall be liable also for the loss occasioned by the enforcement of any federal, state or municipal law, ordinance or code, which necessitates, by repairing or rebuilding, replacement of material to meet those requirements. If demolition is required to comply with the enforcement, the **Pool** shall also be liable for such additional costs.

7. **Expense To Reduce Or Prevent Loss**

The **Named Member** shall employ every reasonable means to protect **Property** from further damage, including the prompt execution of temporary repairs where necessary for such protection and the separation of damaged from undamaged personal property. The **Pool** shall be liable for reasonable expenses so incurred to minimize insured loss, but any payment under this provision shall not serve to increase the limit of liability that would otherwise apply at the time and place of loss, nor shall such expenses exceed the amount by which the loss is reduced.

8. **Abandonment**

The can be no abandonment of any Property to the Pool.

9. **Concealment, Misrepresentation or Fraud**

This Coverage Section is void in any case of fraud by the Member as it relates to this Coverage Section at any time. It is also void if the Member, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. **This Coverage Section;**
- b. **The covered Property;**
- c. **Your interest in the covered Property;**
- d. **A Claim under this Coverage Section.**

10. Legal Action Against Us

No one may bring a legal action against the **Pool** under this Coverage Section unless:

- a. There has been full compliance with all of the terms and conditions applicable to this Coverage Section; and
- b. The action is brought within 2 years after the date on which direct physical loss or damage occurred.

11. No Benefit to Bailee

No person or organization, other than the **Member**, having custody of covered **Property** will benefit from this Coverage Section.

12. Recovered Property

If either the **Member** or the **Pool** recover any **Property** after loss settlement, that party must give prompt written notice to the other party. At the **Member's** option, the **Property** will be returned to the **Member**. The **Member** must then return to the **Pool** the amount paid to the **Member** for the **Property**. The **Pool** will pay recovery expenses and the expenses to repair the recovered **Property**, subject to the Limits of Coverage.

B. Exclusions

In addition to the general exclusions of this **Coverage Agreement**, this section does not apply to any **Claim** for damages, whether direct or consequential, or for any cause of action which is covered under any other section of this **Agreement**.

In addition, this section does not cover-loss or damage to:

1. Land (including land on which the property is located), or land values, atmosphere, standing timber, trees, shrubs, plants, lawn, growing crops, water except water which is normally contained within any type of tank, piping system or other process equipment.
2. Dams, levees or dikes, bridges, roadways, streets, walks or other paved surfaces, railroad beds, ties and tracks, fences, and retaining walls outside of and not forming a part of any building.
3. Underground mines and mining property located below the surface of the ground.
4. Any **Property** undergoing insulation breakdown tests.